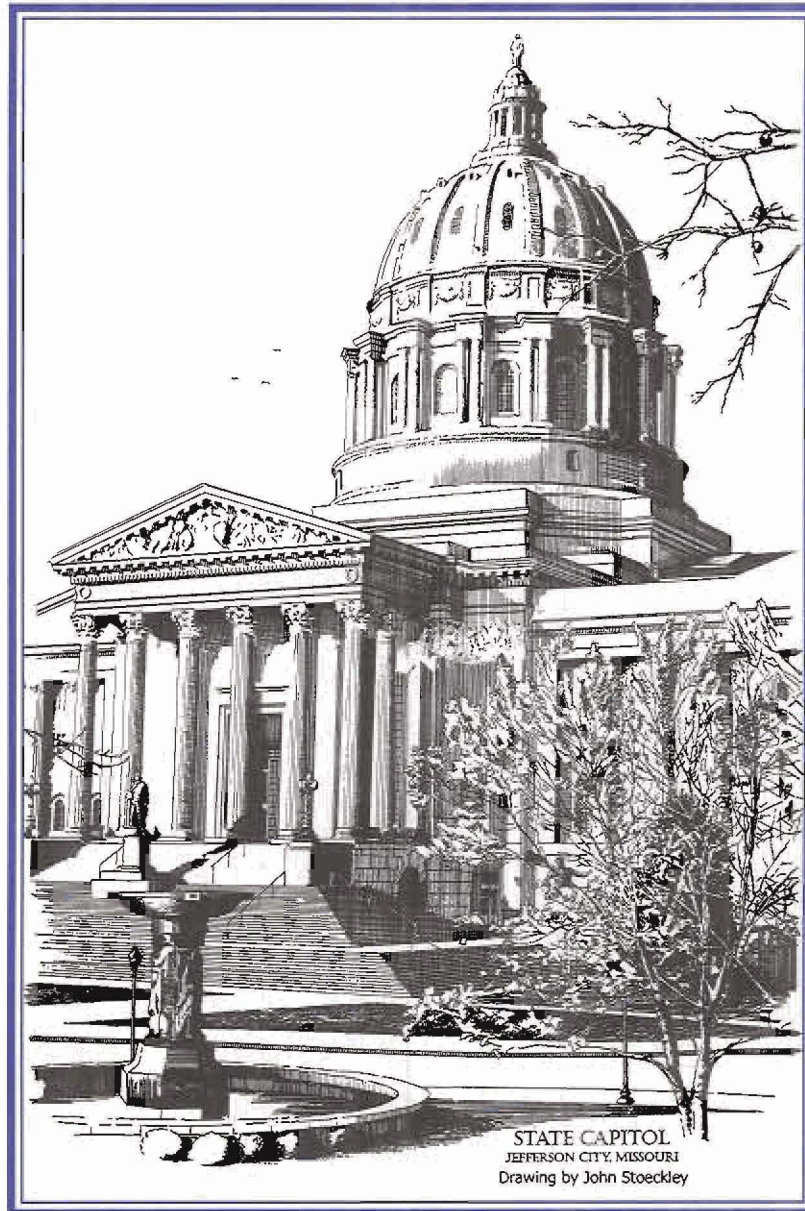


THE MISSOURI BUDGET



GOVERNOR MATT BLUNT
FISCAL YEAR 2009



OFFICE OF THE GOVERNOR

STATE OF MISSOURI

JEFFERSON CITY

(573) 751-3222

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MATT BLUNT
GOVERNOR

ROOM 216
STATE CAPITOL
65101

January 15, 2008

TO THE GENERAL ASSEMBLY AND THE PEOPLE OF MISSOURI:

My proposed Fiscal Year 2009 (FY 09) budget is a spending plan that continues to move our state forward in many areas including education, health care, and economic development. This budget is possible because of actions we have taken over the past three years. In my first budget, we closed a \$1.1 billion deficit and, with your help, we have achieved budget surpluses in each of the last two years and my FY 09 budget provides for another significant ending balance.

This year, I am again directing additional state funds to our local school districts, state college and university campuses, and need-based student scholarships. My budget will continue full funding for the new Foundation Formula now in its third year of implementation. Higher education is a vital investment in our future. Therefore, my FY 09 budget includes a \$54.2 million increase for the two- and four-year state colleges and universities. I am proposing a total of \$100 million in need-based scholarships for Missouri students. This is a quadrupling of that amount since I took office. With these recommendations, the total increase of our investment in education from FY 05 to FY 09 is \$1.2 billion.

I am deeply committed to expanding access to health care for Missourians. That is why I have acted to save the taxpayer supported health care safety net from bankruptcy by creating a new, innovative program to deliver 21st Century health care to Missourians. My call to increase funding by more than \$800 million supports our commitment to focus on health, prevention, and wellness rather than merely treating illness or injury after it has occurred. My new plan called MO HealthNet greatly improves the state's health care program for 830,000 low-income Missourians. Innovative solutions including a health care home, expanded access to care for foster children, and use of technology will improve health care for all participants. In addition to the important and beneficial changes to MO HealthNet, I am proposing the Insure Missouri program that will expand access to coverage to more than 200,000 Missourians. I propose implementing these valuable changes without increasing taxes.

We have moved in a new direction, making state government a catalyst for job creation, and a good steward of taxpayer resources. Our economy is responding to my administration's pro-jobs, pro-growth policies. My budget will continue our efforts to retrain existing workers, retain jobs in our state, and sell the benefits of doing business in Missouri. Because I believe that the citizens of our state deserve the benefit of our successes, for FY 09 I propose additional tax relief for Missouri taxpayers and businesses including the elimination of the tax on military pensions, and tax credits to encourage venture capital investment and energy conservation. I look forward to working with all of you to enact the FY 09 budget and my priority legislative initiatives.

Sincerely,

A handwritten signature in black ink that reads "Matt Blunt".

Matt Blunt

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THE MISSOURI BUDGET

FISCAL YEAR 2009

BUDGET SUMMARY

I. OVERVIEW

Governor Blunt's Fiscal Year 2009 budget recommendations build on his commitment to fund priorities such as education and health care without the need for increases in taxes. For the second consecutive year, the Governor's budget preserves a substantial ending balance of general revenue. This balance will serve as a safety net if revenues fall short of expectations or to fund key priorities, including our children's education and healthcare for our most vulnerable citizens, in future fiscal years. In addition, the Governor's budget includes an important tax reform and incentive package that saves taxpayers \$37.1 million annually.

Governor Blunt's highest priority is education. This commitment is reflected not only in annual increases in elementary and secondary education, but in building a world class higher education system as well. The Governor's FY 2009 budget recommendations include:

- \$121.3 million increase to fully fund the third year of the state's foundation formula at over \$2.96 billion.
- \$36 million increase to various elementary and secondary education programs including A+ schools, eMINTS, Parents as Teachers, Virtual Schools, Early Head Start, High Need, Early Childhood Special Education, Sheltered Workshops, After School programs, and teacher scholarships.
- \$46.2 million for the UMC Ellis Fischel Cancer Center, and the UMKC Pharmacy and Nursing Building.
- \$40.2 million in additional direct funding for Missouri colleges and universities.
- \$27.9 million increase for the Access Missouri need-based scholarship program.
- \$13.4 million in new funding for the Preparing to Care initiative to help expand education opportunities for Missouri students pursuing careers in health-related fields.

Governor Blunt is committed to reducing the number of Missourians without health insurance and wants to remove obstacles so that more Missourians can afford health insurance. He proposes offering choice and security for consumers and improving health care for the state's most vulnerable citizens through the new MO HealthNet Program. Additionally, Governor Blunt also supports improving services and enhancing the safety of Missourians with mental health needs, especially children. The Governor continues to be a proponent for creating healthy lifestyles. The Governor's FY 2009 recommendations include:

- \$482.9 million for the new MO HealthNet Program in the departments of Social Services, Mental Health, and Health and Senior Services including provider rate increases, increased costs of pharmacy benefits, dental/optical services, creating a health care home, health care technology initiatives, women's health services, and additional coverage for children.
- \$347.6 million for the new Insure Missouri Program which offers participants preventive care, prescription drugs, physician services, mental health services, durable medical equipment, and hospital coverage.
- \$28.5 million for the expansion of autism services, rate increases for community mental health providers, additional school-based mental health services, dual diagnosis treatment and services, community care for clients seeking hospitalization for mental health services, staff training, crisis intervention training for law enforcement, and assistance to the homeless with serious mental illness or substance abuse problems.
- \$26.5 million to support services for Missouri seniors including a rate increase for in-home service providers, a rate increase for hospice providers, and additional funding to support the state's Area Agencies on Aging.
- \$24.1 million to provide quality child care for low-income children, substance abuse treatment for families at risk of entering the

child protective services system, rate increases for residential care/ foster care/ child care/adoption/guardianship providers, and expansion of the Children's Division to achieve national accreditation.

- \$14.7 million for health and wellness efforts including tobacco cessation services for MO HealthNet participants, the state's tobacco toll-free quit line, youth smoking prevention programs, public health services, and the Show Me Healthy Women Program.

Governor Blunt's other key priorities receiving funding increases include:

- \$16.2 million to assist Missouri ethanol and biodiesel production.
- \$11.3 million to support local cultural partners through the distribution of the income taxes from non-resident athlete and entertainers.
- \$36 million for improvements to state conservation areas.
- \$483 million for additional road construction projects.
- \$22 million for highway guard cables, reflective striping, and signage.
- \$11.9 million for grants aimed at reducing death, injury, and property damage on state highways.
- \$20.9 million to enhance communication systems between state and local enforcement and emergency responders.
- \$9 million to begin implementation of a statewide interoperable communications system.
- \$9.2 million for Missouri veterans including mental health services, pharmacy services, capital improvements at veterans' homes, outreach services, and pay increases for critical care positions at veterans' homes.
- \$78.9 million, including fringe benefits, for a three percent pay increase for all state employees.
- \$6.9 million, including fringe benefits, to address recruitment and retention issues in certain critical job classes.
- \$25.8 million to recognize the liability of future retiree health care costs.
- \$17.8 million to continue the state's share for health insurance coverage for state employees.

II. REVIEW OF THE FISCAL YEAR 2008 BUDGET

After a respectable year of collections in Fiscal Year 2007, state general revenues have continued to grow in Fiscal Year 2008, but the effects of the national economic slowdown are becoming evident. Through the first six months of Fiscal Year 2008, net general revenue

collections are up by 4.2 percent. The December revision to the consensus revenue estimate resulted in a slight decrease in estimated growth, dropping to 3.1 percent a lower rate, but on a larger base, resulting in an additional \$37.2 million available this fiscal year. Continued strength in individual income tax receipts is expected based on good personal income growth during Calendar Year 2007, but a slowdown in sales taxes is occurring, and tax credit redemptions continue to increase. In addition, tax changes enacted during the 2007 legislative session will impact spring receipts. Supplemental appropriations are necessary to absorb some costs that will exceed their original estimates. These include costs to fund the school foundation formula, to continue quality services at certain state facilities, to fund health care for Missouri citizens, to fund capital improvement projects at state agencies and public universities, to offset citizens' energy costs through the Utilicare program, and to cover increases in the fuel and utility costs of state agencies. Nevertheless, because of the strength of collections during the previous four fiscal years, and the fiscal discipline adhered to by Governor Blunt, it is unlikely the Governor will need to withhold funds in Fiscal Year 2008 to meet his Constitutional obligation to balance the budget.

III. THE ECONOMIC OUTLOOK

U.S. Economic Position

The U.S. economy was hit by a trio of adverse shocks in Calendar Year 2007 that made the soft landing the Federal Reserve desired perilously rocky. The housing market has yet to reach its lowest point and construction activity and housing prices are expected to continue declining into 2008. The sweeping repricing of risk in financial markets, sparked by the implosion of mortgage-backed securities, tightened up credit markets and made liquidity scarce. Finally, energy prices continued to spike, with oil topping out near \$99 per barrel. These events required an aggressive monetary policy response. Interest rates were lowered and loan provisions were loosened by the Federal Reserve. In the meantime, manufacturers continued to struggle, but exporters were buoyed by the weakening dollar. Further, service industries continued to flourish as consumers remained resilient. So far, the U.S. economy has evaded the palpable, and growing, threat of recession.

Employment growth, on a year-over-year basis, averaged around 1.3 percent in 2007, but has slowed to 1.1 percent in the most recent quarter. Consequently, the unemployment rate rose to 4.7 percent in November 2007. Despite

this, personal income continued its strong growth during the past year. Nominal consumer spending has cooled in recent quarters, and energy prices dominate an increasing portion of outlays. Inflation rates, boosted by rising energy and commodity prices, are among the highest rates seen over the last ten years. Indeed, the Federal Reserve remains uncomfortable with growth in prices, and remains fearful of stoking inflation with overly aggressive interest rate reductions.

The U.S. economy is expected to return to average growth by Calendar Year 2009, but the immediate future is highly uncertain. While most forecasters are calling for slim economic growth over the next six months, the specter of a mild recession looms as consumers become frustrated by declining housing wealth, resetting adjustable rate mortgages, tighter credit, and higher energy prices that refuse to moderate.

Real GDP, after growing only 2.2 percent in 2007, is expected to grow only 2.4 percent in 2008, not returning to “trend” growth near 3 percent until late in the year. Employment is expected to grow by about 1.2 million jobs, or an average of 0.9 percent, but unemployment is projected to return to near 5 percent. Personal income growth, after reaching over 6 percent the last two years, is expected to slow noticeably to 4.8 percent, as salary growth cools to 4.4 percent. Nominal consumer expenditures are anticipated to increase by only 4.4 percent, with much of this slight increase shifting to gasoline and other energy products. The inflation rate as measured by the Consumer Price Index is expected to eventually decline to near 2.8 percent, but core inflation (which excludes volatile food and energy prices) will likely remain contained near 2.3 percent as economic growth slows. These moderate inflation expectations give the Federal Reserve room to be flexible and creative with monetary policy to ward off a more severe economic downturn. Corporate profits will cool from record highs to growth rates in the single-digits, as cost pressures mount. These overall trends should give way to growth rates closer to historical averages in Calendar Year 2009.

With slower economic growth predicted, the downside risks must be considered:

- Investors took advantage of numerous new types of exotic mortgages with back-loaded payments during the home construction boom. Now, payments are being reset at levels much higher than when the loans were established. Higher loan payments will further burden overextended consumers. An increase in delinquencies and foreclosures is already evident.
- The housing market may not recover in the

spring as hoped. The oversupply of houses is being exacerbated by the foreclosures mentioned above. Construction, real estate, and finance jobs may decline sharply, and the housing recession may spill over into the broader economy.

- Banks may become unwilling to lend to each other, or to even the most credit-worthy businesses and consumers, as risk continues to be repriced in the fallout of the mortgage-backed equities collapse. Financing options may become prohibitively expensive if lenders demand punitive interest rates or substantial collateral.
- Consumers face diminishing housing wealth as prices decline. The amount of equity financing available to consumers has therefore dropped, and what is available is more expensive due to relatively high interest rates. Consumers will become unlikely, or unable, to extend their debt burdens if housing prices drop further, curtailing purchases on durable goods.
- Energy prices are perpetually volatile. Demand for oil in developing nations continues to rise and few forecasters are calling for a significant price decline. Recent history has demonstrated that unexpected supply or demand issues will trigger a significant price reaction. Consumers must absorb a new floor for gasoline prices near three dollars a gallon.
- The possibility of an act of violence against U.S. economic interests cannot be ignored as numerous geopolitical issues remain unsettled.

A few factors provide some upside risk to this forecast:

- The global economy continues to expand, driven by growing domestic demand within overseas economies. Therefore, net exports from the U.S. are expected to increase, buoyed by a weaker dollar that makes U.S. goods and services abroad more affordable.
- Consumers continue to spend, albeit at a slower pace, and employment growth has remained steady through 2007. Consumer and business activity is supported by the aggressive changes in interest rates and loan policies implemented by the Federal Reserve.
- Core consumer price inflation remains tame despite the sharp rise in energy prices.
- The balance sheets of corporations and businesses remain healthy, and profits from the previous years are available for investment. Productivity of U.S. workers continues to increase. Therefore, equity markets, despite recent volatility, are expected to improve during 2008.

| Economic Projections | | | |
|-----------------------|---------------------------|-------------|-------------|
| | Increase by Calendar Year | | |
| <u>U.S.</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
| Real GDP | 2.2 % | 2.4 % | 2.9 % |
| Total Employment | 1.3 % | 0.9 % | 1.1 % |
| Unemployment Rate | 4.8 % | 5.1 % | 5.0 % |
| Personal Income | 6.2 % | 4.8 % | 5.5 % |
| Consumer Expenditures | 5.4 % | 4.4 % | 4.5 % |
| Consumer Prices | 2.8 % | 2.7 % | 2.0 % |
| <u>MISSOURI</u> | | | |
| Total Employment | 0.8 % | 0.4 % | 0.6 % |
| Personal Income | 5.4 % | 4.0 % | 4.3 % |

Missouri Economic Position

The Missouri economy, like that of the nation, continued to grow in Calendar Year 2007, but has come up against the strong currents of the housing and auto manufacturing slowdowns. After peaking at record levels in the spring, Missouri employment declined slightly into the autumn. According to U.S. Bureau of Labor Statistics' data, through November 2007, the state gained 12,000 jobs over the previous twelve months, growth of 0.4 percent, and 87,900 jobs since January 2005. Between November 2006 and November 2007, 6,200 jobs were lost in motor vehicle and transportation equipment manufacturing, a reduction of 9.5 percent. Conversely, the state gained 18,900 private service-producing jobs over the same period, an increase of 1.0 percent. Despite this churning in the job market, on a year-over-year basis, personal income growth during Calendar Year 2007 is projected to be 5.4 percent, which is above average.

Missouri's economic outlook over the next two years is similar to that of the nation, weighed down by the general outlook in the housing and automotive industries. However, Missouri's exporters are benefiting from the weak dollar, and continue setting new records for total exports. Growth will continue in the service sectors. Below average employment growth of 0.4 to 0.6 percent is expected annually. Personal income growth will slow to 4.0 percent in 2008, increasing to 4.3 percent in 2009. Risks to this outlook include slower consumer spending as a result of sharply reduced

residential investment activity and higher energy prices, and further slowdowns in vehicle manufacturing.

IV. REVENUE PROJECTIONS FOR FISCAL YEARS 2007 AND 2008

Revenue forecasting is challenging under the best of circumstances. When uncertainties overshadow the economic forecast, the undertaking becomes even more difficult. Unpredictable energy prices and volatile equity markets further complicate this mission. Nonetheless, the state must move ahead with its budget based on the best available economic information. Governor Blunt is committed to working constructively with members of the General Assembly to ensure the state follows sound budget policies. As a first step, the Governor worked with legislative leaders to develop a consensus revenue estimate.

General revenue growth below long-term averages is expected in the coming fiscal year. The revised Fiscal Year 2008 and initial Fiscal Year 2009 revenue estimates project net growth of 3.1 percent and 3.4 percent, respectively. The revenue base has held up well through the first half of the current fiscal year. Growth in individual income tax receipts is expected to remain strong, and may be boosted further as a result of capital gains stemming from active equity markets. However, consumer spending on taxable items is being dragged down as consumers consider reducing debt loads and dealing with high energy prices. Tax changes in the form of income tax relief for seniors and

sales tax relief for manufacturers will slow revenue growth. Another year of substantial tax credit growth will reduce receipts, but the new programs championed by the Governor this past year will help to spur economic development. General revenues in Fiscal Year 2009 will be affected by the slowing in the overall economy. Finally, the continued implementation of the 2004 transportation ballot initiative, Constitutional Amendment No. 3, will impact fiscal years 2008 and 2009. This will lower general revenue collections by an estimated \$30 million annually.

V. REVENUE LIMITATION AMENDMENT

Article X of the Missouri Constitution establishes a revenue and spending limit on state government. The limit is about 5.6 percent of Missouri personal income, based on the relationship between personal income and total state revenues when the limit was established and approved by voters in November 1980. Calculations made pursuant to Article X of the Missouri Constitution show that total state revenues for Fiscal Year 2007 were below the total state revenue limit by nearly \$1.3 billion.

The Office of Administration projects that total state revenues will not exceed the total state revenue limit in Fiscal Years 2008 or 2009. These preliminary calculations are subject to change as actual state revenue collections become known and as the federal government revises its estimates of Missouri personal income. These projections could change if the General Assembly were to pass legislation to increase revenue without a vote of the people. Per Article X of the Missouri Constitution, revenue approved by the voters is not subject to the revenue and spending limit.

Article X, Section 18(e) of the Missouri Constitution imposes an additional revenue limit, which states the General Assembly shall not increase taxes or fees in any fiscal year, without voter approval, that in total produce new annual revenues greater than \$50 million adjusted annually by the percentage change in the personal income of Missouri for the second previous year, or one percent of total state revenues for the second fiscal year prior to the General Assembly's action, whichever is less.

New annual revenues mean the net increase in annual revenues produced by the total of all tax or fee increases by the General Assembly in a fiscal year, less refunds and less all contemporaneously occurring tax or fee reductions in that same fiscal year.

For Fiscal Year 2007, these limits are calculated at \$84.3 million for the personal income amount and \$80.9 million for the one percent of total state revenues amount. Legislative actions in the 2007

session resulted in a reduction of \$163.4 million in state revenues, which is clearly below the constitutional limit.

For Fiscal Year 2008, the limits are calculated at \$88.8 million for the personal income amount and \$86.0 million for the one percent of total state revenues amount.

VI. TAX REFORM AND INCENTIVES FOR MISSOURI CITIZENS AND BUSINESSES

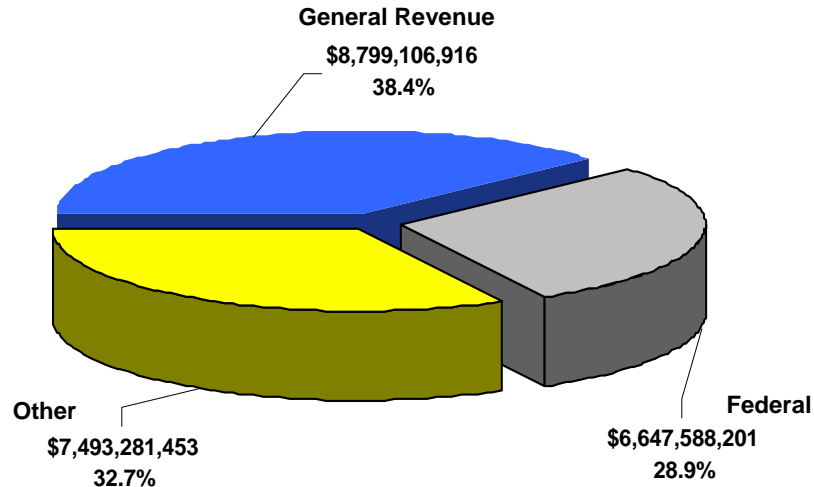
Governor Blunt was successful during last year's legislative session in passing tax relief for Missouri citizens and businesses. For 2008, the Governor continues to build on those successes by supporting the following additional initiatives:

- Military Pension Income Tax Exemption. This proposal accelerates the provisions of HB 444 (2007) for veterans by eliminating the six-year phase-in for pension exemptions, eliminating the retirement age restriction, and exempting social security benefits regardless of age and income. Estimated cost is \$22.5 million.
- Increase the Cap on the Missouri Agricultural and Small Business Development Authority Tax Credits. The current rush of ethanol and biodiesel projects is expected to completely absorb the credits available for this program. In order to support the development of other important value-added agricultural businesses, the proposal raises the cap from \$6 million to \$12 million. Estimated cost is \$6 million.
- Establish the Missouri Venture Capital Enhancement Program. This proposal provides \$5 million in income tax credits to investors who provide venture capital to high-tech companies. Provisions will be included to ensure the companies remain in Missouri. Estimated cost is \$5 million.
- Renewable Fuel Usage. This proposal provides tax credits for the costs of constructing a qualified alternative fuel vehicle refueling property, tax credits for the purchase of E85 gasoline, and a tax deduction for the purchase of qualified hybrid vehicles. Estimated cost is \$2.8 million.
- Energy Conservation. This proposal authorizes a Show Me Green sales tax holiday week, each April, to encourage consumers to purchase ENERGY STAR appliances. Estimated cost is \$1.1 million (\$800,000 GR).

FY 2009 TOTAL OPERATING BUDGET

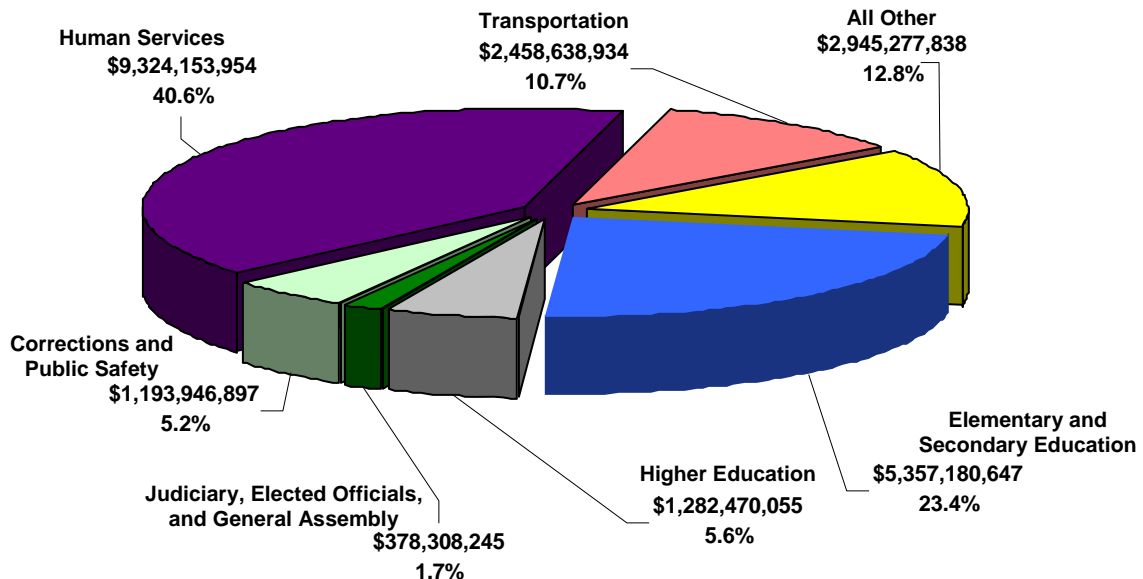
SOURCES OF FUNDS

Total Funds* \$22,939,976,570



GOVERNOR'S RECOMMENDED OPERATING BUDGET—ALL FUNDS

Total Appropriations* \$22,939,976,570



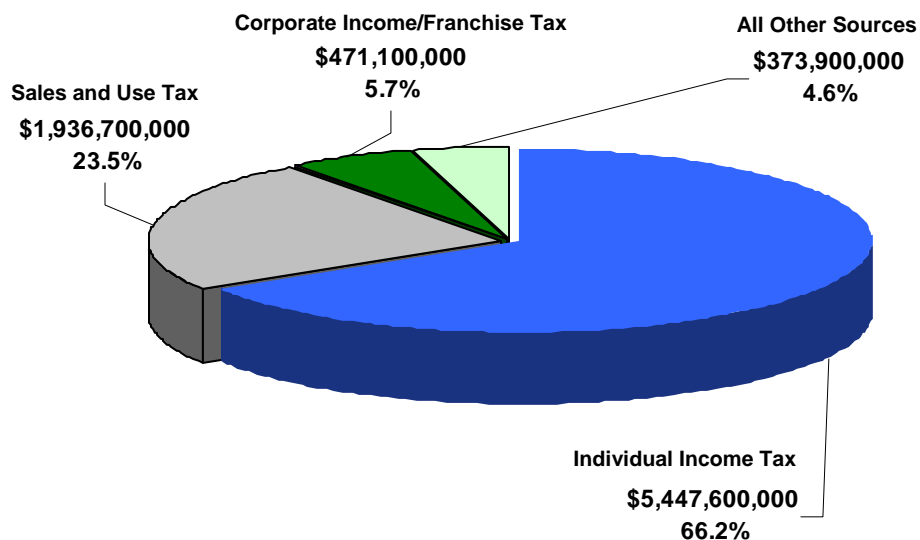
*Excludes refunds

GENERAL REVENUE RECEIPTS AND ESTIMATES

| | Actual Receipts FY 2007 | Consensus Estimate FY 2008 | Consensus Estimate FY 2009 |
|--------------------------------------|--|---|---|
| <u>Collections</u> | | | |
| Individual Income Tax | \$ 5,726,544,633 | \$ 6,091,300,000 | \$ 6,367,100,000 |
| Sales and Use Tax | 2,043,026,979 | 2,028,600,000 | 2,038,700,000 |
| Corporate Income/Franchise Tax | 631,736,793 | 645,500,000 | 669,100,000 |
| County Foreign Insurance Tax | 199,132,200 | 201,800,000 | 204,000,000 |
| Liquor Tax | 25,807,189 | 26,200,000 | 27,000,000 |
| Beer Tax | 8,430,409 | 8,500,000 | 8,700,000 |
| Inheritance/Estate Tax | 5,971,861 | 800,000 | 0 |
| Interest on Deposits and Investments | 53,823,724 | 60,000,000 | 55,000,000 |
| Federal Reimbursements | 78,103,992 | 71,300,000 | 70,400,000 |
| All Other Sources | 152,582,561 | 142,600,000 | 145,300,000 |
| Total General Revenue Collections | 8,925,160,341 | 9,276,600,000 | 9,585,300,000 |
| Refunds | (1,208,797,133) | (1,320,000,000) | (1,356,000,000) |
| Net General Revenue Collections | \$ 7,716,363,208 | \$ 7,956,600,000 | \$ 8,229,300,000 |
| Net Growth Rate | | 3.1% | 3.4% |

FY 2009 CONSENSUS REVENUE ESTIMATE

Net General Revenue \$8,229,300,000



GENERAL REVENUE SUMMARY

RESOURCES

| | <u>FY 2007</u> | <u>FY 2008</u> | <u>FY 2009</u> |
|---------------------------------|------------------|------------------|------------------|
| Beginning Balance | \$ 600,630,793 | \$ 597,888,724 | \$ 506,096,668 |
| Previous Year's Lapse (1) | 94,700,436 | 155,113,164 | 161,433,814 |
| Revenue Collections | 8,925,196,736 | 9,276,600,000 | 9,585,300,000 |
| Governor's Proposed Tax Changes | 0 | 0 | (37,100,000) |
| Refunds | (1,208,797,133) | (1,320,000,000) | (1,356,000,000) |
| Transfers to Fund | 204,290,891 | 160,941,111 | 152,346,616 |
| Total Resources Available | \$ 8,616,021,722 | \$ 8,870,542,999 | \$ 9,012,077,098 |

OBLIGATIONS

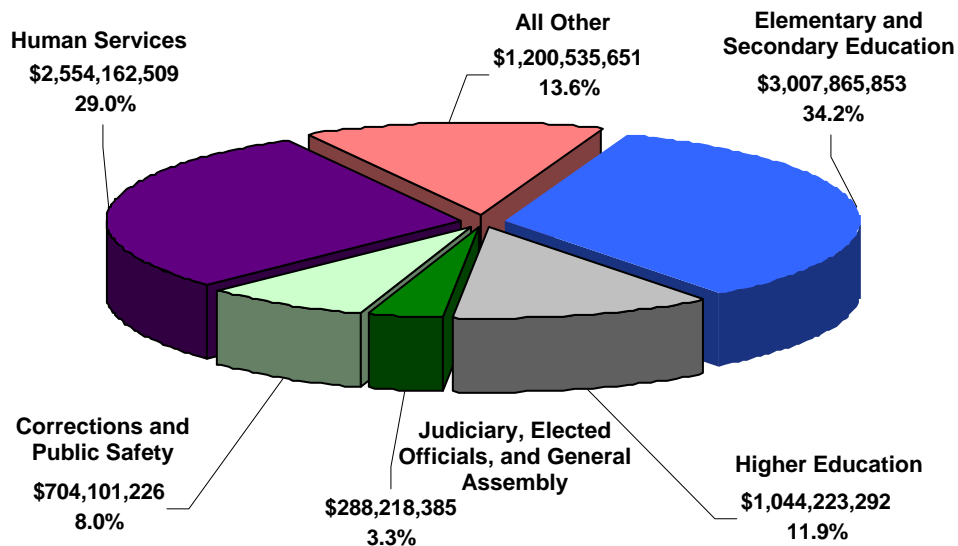
| | | | |
|-------------------------------------|------------------|------------------|------------------|
| Operating Appropriations | \$ 7,721,701,972 | \$ 8,212,907,639 | \$ 8,799,106,916 |
| Capital Improvements Appropriations | 73,727,987 | 72,079,240 | 92,927,322 |
| Supplementals | 120,342,445 | 59,459,452 | 50,000,000 |
| Increased Estimateds | 102,360,594 | 20,000,000 | 20,000,000 |
| Total Obligations | \$ 8,018,132,998 | \$ 8,364,446,331 | \$ 8,962,034,238 |
| Ending Balance | \$ 597,888,724 | \$ 506,096,668 | \$ 50,042,860 |

NOTES TO GENERAL REVENUE SUMMARY

(1) Unexpended appropriations are counted as a resource in the next fiscal year to avoid premature commitment of uncertain resources until actual lapses are known. This includes reserves authorized by Section 33.290, RSMo.

GOVERNOR'S RECOMMENDED OPERATING BUDGET—GENERAL REVENUE

Total Appropriations* \$8,799,106,916



*Excludes refunds

FY 2009 OPERATING AND CAPITAL BUDGET SUMMARY

| House Bill | FY 2007 Expenditure | FY 2008 Appropriation | Governor's Recommendation FY 2009 |
|-----------------|--|--------------------------|---|
| 1 | <u>Public Debt</u> | | |
| General Revenue | \$ 93,583,360 | \$ 91,464,696 | \$ 89,899,194 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds | 970,932 | 6,155,798 | 8,332,977 |
| Total | \$ 94,554,292 | \$ 97,620,494 | \$ 98,232,171 |
| 2 | <u>Elementary and Secondary Education</u> | | |
| General Revenue | \$ 2,790,215,650 | \$ 2,844,383,545 | \$ 3,007,865,853 |
| Federal Funds | 832,328,755 | 956,462,095 | 949,213,291 |
| Other Funds | 1,333,736,613 | 1,418,575,339 | 1,400,101,503 |
| Total | \$ 4,956,281,018 | \$ 5,219,420,979 | \$ 5,357,180,647 |
| 3 | <u>Higher Education</u> | | |
| General Revenue | \$ 871,081,458 | \$ 936,476,532 | \$ 1,044,223,292 |
| Federal Funds | 2,639,890 | 6,482,693 | 5,019,468 |
| Other Funds | 196,234,027 | 232,101,090 | 233,227,295 |
| Total | \$ 1,069,955,375 | \$ 1,175,060,315 | \$ 1,282,470,055 |
| 4 | <u>Revenue</u> | | |
| General Revenue | \$ 87,807,232 | \$ 88,418,233 | \$ 90,574,186 |
| Federal Funds | 3,577,818 | 6,411,958 | 6,419,221 |
| Other Funds | 349,609,811 | 343,711,546 | 345,723,127 |
| Total | \$ 440,994,861 | \$ 438,541,737 | \$ 442,716,534 |
| 4 | <u>Transportation</u> | | |
| General Revenue | \$ 11,668,541 | \$ 12,559,321 | \$ 14,093,194 |
| Federal Funds | 83,547,114 | 59,729,150 | 73,961,070 |
| Other Funds | 2,252,176,163 | 2,161,235,280 | 2,370,584,670 |
| Total | \$ 2,347,391,818 | \$ 2,233,523,751 | \$ 2,458,638,934 |
| 5 | <u>Office of Administration</u> | | |
| General Revenue | \$ 188,554,486 | \$ 174,967,305 | \$ 181,511,024 |
| Federal Funds | 60,412,291 | 74,978,156 | 73,998,044 |
| Other Funds | 38,369,528 | 37,110,668 | 60,204,427 |
| Total | \$ 287,336,305 | \$ 287,056,129 | \$ 315,713,495 |
| 5 | <u>Employee Benefits</u> | | |
| General Revenue | \$ 506,122,241 | \$ 511,060,457 | \$ 546,980,426 |
| Federal Funds | 143,621,317 | 158,710,521 | 165,529,733 |
| Other Funds | 135,224,953 | 148,231,944 | 156,234,607 |
| Total | \$ 784,968,511 | \$ 818,002,922 | \$ 868,744,766 |
| 6 | <u>Agriculture</u> | | |
| General Revenue | \$ 26,835,405 | \$ 51,609,757 | \$ 68,976,364 |
| Federal Funds | 4,941,471 | 4,522,577 | 4,614,629 |
| Other Funds | 10,903,802 | 14,779,969 | 14,409,809 |
| Total | \$ 42,680,678 | \$ 70,912,303 | \$ 88,000,802 |

FY 2009 OPERATING AND CAPITAL BUDGET SUMMARY

| House Bill | FY 2007 <u>Expenditure</u> | FY 2008 <u>Appropriation</u> | Governor's Recommendation <u>FY 2009</u> |
|--|-------------------------------|---------------------------------|--|
| 6 <u>Natural Resources</u> | | | |
| General Revenue | \$ 9,734,552 | \$ 12,093,469 | \$ 17,449,642 |
| Federal Funds | 32,044,849 | 43,242,217 | 42,541,044 |
| Other Funds | 253,762,915 | 271,917,009 | 276,162,637 |
| Total | \$ 295,542,316 | \$ 327,252,695 | \$ 336,153,323 |
| 6 <u>Conservation</u> | | | |
| General Revenue | \$ 0 | \$ 0 | \$ 0 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds | 129,029,169 | 143,254,143 | 145,534,841 |
| Total | \$ 129,029,169 | \$ 143,254,143 | \$ 145,534,841 |
| 7 <u>Economic Development</u> | | | |
| General Revenue | \$ 42,824,008 | \$ 64,257,953 | \$ 78,297,659 |
| Federal Funds | 134,272,418 | 169,435,600 | 169,847,375 |
| Other Funds | 31,119,914 | 71,665,950 | 76,573,551 |
| Total | \$ 208,216,340 | \$ 305,359,503 | \$ 324,718,585 |
| 7 <u>Insurance, Financial Institutions and Professional Registration</u> | | | |
| General Revenue | \$ 0 | \$ 0 | \$ 0 |
| Federal Funds | 600,000 | 600,000 | 700,000 |
| Other Funds | 28,405,456 | 35,033,466 | 36,223,908 |
| Total | \$ 29,005,456 | \$ 35,633,466 | \$ 36,923,908 |
| 7 <u>Labor and Industrial Relations</u> | | | |
| General Revenue | \$ 2,354,887 | \$ 2,543,177 | \$ 2,652,944 |
| Federal Funds | 37,994,248 | 52,912,523 | 47,444,717 |
| Other Funds | 98,468,162 | 90,145,653 | 91,629,596 |
| Total | \$ 138,817,297 | \$ 145,601,353 | \$ 141,727,257 |
| 8 <u>Public Safety</u> | | | |
| General Revenue | \$ 63,648,693 | \$ 75,062,497 | \$ 96,046,994 |
| Federal Funds | 170,013,548 | 112,363,977 | 131,825,325 |
| Other Funds | 245,104,279 | 278,657,529 | 301,220,605 |
| Total | \$ 478,766,520 | \$ 466,084,003 | \$ 529,092,924 |
| 9 <u>Corrections</u> | | | |
| General Revenue | \$ 555,309,382 | \$ 569,234,250 | \$ 608,054,232 |
| Federal Funds | 5,154,850 | 7,468,169 | 6,941,995 |
| Other Funds | 32,444,590 | 47,396,485 | 49,857,746 |
| Total | \$ 592,908,822 | \$ 624,098,904 | \$ 664,853,973 |
| 10 <u>Mental Health</u> | | | |
| General Revenue | \$ 554,971,665 | \$ 590,355,650 | \$ 620,453,730 |
| Federal Funds | 421,254,035 | 482,058,417 | 495,321,154 |
| Other Funds | 34,769,599 | 38,160,615 | 39,653,471 |
| Total | \$ 1,010,995,299 | \$ 1,110,574,682 | \$ 1,155,428,355 |

FY 2009 OPERATING AND CAPITAL BUDGET SUMMARY

| House <u>Bill</u> | FY 2007 <u>Expenditure</u> | FY 2008 <u>Appropriation</u> | Governor's Recommendation <u>FY 2009</u> |
|--|-------------------------------|---------------------------------|--|
| 10 <u>Health and Senior Services</u> | | | |
| General Revenue | \$ 229,934,701 | \$ 230,529,204 | \$ 253,259,855 |
| Federal Funds | 511,750,459 | 571,858,282 | 589,894,559 |
| Other Funds | 18,301,404 | 27,241,392 | 27,489,859 |
| Total | \$ 759,986,564 | \$ 829,628,878 | \$ 870,644,273 |
| 11 <u>Social Services</u> | | | |
| General Revenue | \$ 1,381,363,389 | \$ 1,573,140,417 | \$ 1,680,448,924 |
| Federal Funds | 2,820,930,372 | 3,390,144,700 | 3,826,596,098 |
| Other Funds | 1,585,997,969 | 1,680,832,676 | 1,791,036,304 |
| Total | \$ 5,788,291,730 | \$ 6,644,117,793 | \$ 7,298,081,326 |
| 12 <u>Elected Officials</u> | | | |
| General Revenue | \$ 52,230,989 | \$ 48,501,656 | \$ 51,393,361 |
| Federal Funds | 27,185,013 | 23,358,160 | 23,548,603 |
| Other Funds | 37,170,425 | 46,689,935 | 42,217,222 |
| Total | \$ 116,586,427 | \$ 118,549,751 | \$ 117,159,186 |
| 12 <u>Judiciary</u> | | | |
| General Revenue | \$ 155,399,840 | \$ 164,129,636 | \$ 168,365,423 |
| Federal Funds | 5,712,966 | 10,284,578 | 10,408,187 |
| Other Funds | 10,401,884 | 10,237,705 | 10,518,330 |
| Total | \$ 171,514,690 | \$ 184,651,919 | \$ 189,291,940 |
| 12 <u>Public Defender</u> | | | |
| General Revenue | \$ 30,749,791 | \$ 32,680,606 | \$ 33,901,815 |
| Federal Funds | 0 | 125,000 | 125,000 |
| Other Funds | 2,231,421 | 2,976,491 | 2,980,263 |
| Total | \$ 32,981,212 | \$ 35,782,097 | \$ 37,007,078 |
| 12 <u>General Assembly</u> | | | |
| General Revenue | \$ 31,323,031 | \$ 33,248,859 | \$ 34,557,786 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds | 147,111 | 194,250 | 292,255 |
| Total | \$ 31,470,142 | \$ 33,443,109 | \$ 34,850,041 |
| 13 <u>Real Estate</u> | | | |
| General Revenue | \$ 40,810,895 | \$ 106,190,419 | \$ 110,101,018 |
| Federal Funds | 18,416,684 | 23,627,113 | 23,638,688 |
| Other Funds | 8,797,420 | 13,640,476 | 13,072,450 |
| Total | \$ 68,024,999 | \$ 143,458,008 | \$ 146,812,156 |
| 14 <u>Operating Supplemental</u> | | | |
| General Revenue | | \$ 44,420,022 | |
| Federal Funds | | 15,102,838 | |
| Other Funds | | 38,464,471 | |
| Total | | \$ 97,987,331 | |

FY 2009 OPERATING AND CAPITAL BUDGET SUMMARY

| House Bill | FY 2007 Expenditure | FY 2008 Appropriation | Governor's Recommendation FY 2009 |
|--|------------------------|--------------------------|---|
| 15 <u>Operating Supplemental</u> | | | |
| General Revenue | | \$ 6,440,785 | |
| Federal Funds | | 0 | |
| Other Funds | | 0 | |
| Total | | \$ 6,440,785 | |
| 22 <u>Operating Supplemental</u> | | | |
| General Revenue | | \$ 1,872,261 | |
| Federal Funds | | 0 | |
| Other Funds | | 0 | |
| Total | | \$ 1,872,261 | |
| <u>Total Operating Budget</u> | | | |
| General Revenue | \$ 7,726,524,196 | \$ 8,265,640,707 | \$ 8,799,106,916 |
| Federal Funds | 5,316,398,098 | 6,169,878,724 | 6,647,588,201 |
| Other Funds | 6,833,377,547 | 7,158,409,880 | 7,493,281,453 |
| Total | \$ 19,876,299,841 | \$ 21,593,929,311 | \$ 22,939,976,570 |
| 18 <u>Capital Improvements - Maintenance and Repair</u> | | | |
| General Revenue | \$ 60,886,755 | \$ 72,079,240 | \$ 75,289,639 |
| Federal Funds | 3,025,000 | 3,173,382 | 3,173,381 |
| Other Funds | 10,641,001 | 7,356,611 | 7,207,433 |
| Total | \$ 74,552,756 | \$ 82,609,233 | \$ 85,670,453 |
| 19 <u>Capital Improvements - Construction Supplemental</u> | | | |
| General Revenue | \$ 0 | \$ 0 | \$ 0 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds | 0 | 46,182,000 | 0 |
| Total | \$ 0 | \$ 46,182,000 | \$ 0 |
| 20 <u>Capital Improvements - Construction Supplemental</u> | | | |
| General Revenue | \$ 0 | \$ 6,726,384 | \$ 0 |
| Federal Funds | 0 | 6,050,001 | 0 |
| Other Funds | 0 | 6,819,190 | 0 |
| Total | \$ 0 | \$ 19,595,575 | \$ 0 |
| 21 <u>Capital Improvements - Construction Supplemental</u> | | | |
| General Revenue | \$ 0 | \$ 0 | \$ 0 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds | 0 | 10,000,000 | 0 |
| Total | \$ 0 | \$ 10,000,000 | \$ 0 |

FY 2009 OPERATING AND CAPITAL BUDGET SUMMARY

| House <u>Bill</u> | FY 2007 <u>Expenditure</u> | FY 2008 <u>Appropriation</u> | Governor's Recommendation <u>FY 2009</u> |
|---|-------------------------------|---------------------------------|--|
| 23 | | | |
| <u>Capital Improvements -</u> | | | |
| <u>Construction</u> | | | |
| General Revenue | \$ 12,841,232 | \$ 0 | \$ 17,637,683 |
| Federal Funds | 45,704,865 | 0 | 1,900,002 |
| Other Funds | 38,789,962 | 0 | 50,508,489 |
| Total | \$ 97,336,059 | \$ 0 | \$ 70,046,174 |
| <u>Total Capital Improvements Budget</u> | | | |
| General Revenue | \$ 73,727,987 | \$ 78,805,624 | \$ 92,927,322 |
| Federal Funds | 48,729,865 | 9,223,383 | 5,073,383 |
| Other Funds | 49,430,963 | 70,357,801 | 57,715,922 |
| Total | \$ 171,888,815 | \$ 158,386,808 | \$ 155,716,627 |
| GRAND TOTAL | | | |
| General Revenue | \$ 7,800,252,183 | \$ 8,344,446,331 | \$ 8,892,034,238 |
| Federal Funds | 5,365,127,963 | 6,179,102,107 | 6,652,661,584 |
| Other Funds | 6,882,808,510 | 7,228,767,681 | 7,550,997,375 |
| Total | \$ 20,048,188,656 | \$ 21,752,316,119 | \$ 23,095,693,197 |

FY 2007 expenditures do not include refunds of \$1,258,013,328, including \$1,208,134,353 general revenue.

FY 2008 appropriations do not include refunds of \$1,347,602,565, including \$1,300,173,371 general revenue.

FY 2009 Governor's recommendations do not include refunds of \$1,403,688,522, including \$1,356,173,371 general revenue.

**SUPPLEMENTAL RECOMMENDATIONS
FISCAL YEAR 2008**

| | <u>GENERAL REVENUE</u> | <u>FEDERAL FUNDS</u> | <u>OTHER FUNDS</u> | <u>TOTAL*</u> |
|--|----------------------------|--------------------------|------------------------|-------------------|
| Department of Elementary and Secondary Education | \$ 20,967,992 | \$ 15,000 | \$ 32,688,981 | \$ 53,671,973 |
| Department of Higher Education | 8,000 | 0 | 330,000 | 338,000 |
| Department of Revenue | 1,473,365 | 0 | 80,646 | 1,554,011 |
| Department of Agriculture | 2,037,104 | 36,326 | 67,456 | 2,140,886 |
| Department of Natural Resources | 0 | 0 | 35,968 | 35,968 |
| Department of Economic Development | 100,000 | 0 | 0 | 100,000 |
| Department of Insurance, Financial Institutions and Professional Registration | 0 | 100,000 | 1,169,730 | 1,269,730 |
| Department of Public Safety | 3,833,984 | 0 | 1,021,902 | 4,855,886 |
| Department of Corrections | 4,189,672 | 0 | 0 | 4,189,672 |
| Department of Mental Health | 3,946,301 | 816,011 | 0 | 4,762,312 |
| Department of Health and Senior Services | 6,990,205 | 8,372,234 | 0 | 15,362,439 |
| Department of Social Services | 7,744,148 | 5,671,715 | 2,914,756 | 16,330,619 |
| Elected Officials | 156,524 | 0 | 0 | 156,524 |
| Office of Public Defender | 145,680 | 0 | 0 | 145,680 |
| General Assembly | 40,000 | 0 | 0 | 40,000 |
| Statewide Leasing | 1,100,093 | 91,552 | 155,032 | 1,346,677 |
| Capital Improvements | <u>6,726,384</u> | <u>6,050,001</u> | <u>63,001,190</u> | <u>75,777,575</u> |
| | \$ 59,459,452 | \$ 21,152,839 | \$ 101,465,661 | \$ 182,077,952 |
| TOTAL HOUSE BILLS 2014 - 2015 and 2019 - 2022 | | | | |

*Excludes refunds and other items not included in Executive Budget totals.

PUBLIC DEBT

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | FY 2009 REQUEST | GOVERNOR RECOMMENDS FY 2009 |
|--|------------------------|--------------------------|-----------------------|-----------------------------------|
| Administration | \$ 11,396 | \$ 20,002 | \$ 20,002 | \$ 20,002 |
| Fourth State Building Bonds | 16,669,150 | 17,077,982 | 18,806,732 | 18,806,732 |
| Water Pollution Control Bonds | 25,966,251 | 30,889,164 | 38,524,903 | 36,573,028 |
| Stormwater Control Bonds | 2,483,824 | 2,578,658 | 3,201,221 | 3,201,221 |
| Third State Building Bonds | 49,423,671 | 46,904,688 | 39,631,188 | 39,631,188 |
| Bond Issuance Costs | 0 | 150,000 | 0 | 0 |
| TOTAL | \$ 94,554,292 | \$ 97,620,494 | \$ 100,184,046 | \$ 98,232,171 |
| General Revenue Fund | 93,583,360 | 91,464,696 | 94,181,016 | 89,899,194 |
| WPC Series A 2007-37G-Other | 0 | 75,000 | 0 | 0 |
| WPC Series A 2007-37E-Other | 0 | 75,000 | 0 | 0 |
| Water and Wastewater Loan Revolving Fund | 970,932 | 6,005,798 | 6,003,030 | 8,332,977 |

State of Missouri general obligation bond issues consistently have received the highest ratings, "Triple A", from Moody's Investors Service, Standard and Poor's Corporation, and Fitch Ratings. Missouri is one of only six states that has this rating from all three rating organizations. The other states are Georgia, Utah, Virginia, Maryland, and Delaware. General obligation bonds can only be issued through voter-approved amendments to the state constitution. Currently, outstanding general obligation bonds are for the four purposes identified below.

Fourth State Building Bonds: In August 1994, Missouri voters approved a fourth state building bond issue to provide essential prison capacity, new residential beds for juvenile offenders, and significant new higher education construction and renovation.

Water Pollution Control Bonds: Water pollution control bond proceeds help local governments construct wastewater and stormwater control facilities and improve public drinking water systems. These infrastructure improvements support local economic development, protect Missouri waterways from pollution, and help ensure safe drinking water supplies.

Stormwater Control Bonds: In November 1998, Missouri voters approved a separate stormwater control bond issue of \$200 million for stormwater control plans, studies, and projects.

Third State Building Bonds: In 1982, Missouri voters approved \$600 million in bonds to be issued for improvements to state buildings and property.

PUBLIC DEBT

ADMINISTRATION OF PUBLIC DEBT

The Board of Fund Commissioners administers the general obligation bonded indebtedness of the state. The board is comprised of the following members pursuant to Section 33.300, RSMo: Governor, Lieutenant Governor, Attorney General, State Auditor, State Treasurer, and Commissioner of Administration. Administrative expenses are associated with the sale and processing of the state's general obligation bonds. The board directs the payment of principal and interest on state debt. General obligation bonds issued by the State of Missouri are rated "Triple A" by Moody's Investors Service, Standard and Poor's Corporation, and Fitch Ratings. In addition, the Board of Fund Commissioners is obligated to repay to the United States Treasury excess interest earnings (arbitrage rebate) on water pollution control bonds, stormwater control bonds, third state building bonds, and fourth state building bonds.

Fiscal Year 2009 Governor's Recommendations

- \$20,002 to continue funding at the current level.

FOURTH STATE BUILDING BONDS DEBT SERVICE

Missouri voters approved \$250 million in fourth state building bonds under the provisions of Article III, Section 37, Missouri Constitution to be used for capital improvement projects at state facilities and higher education institutions. Bond sales were authorized by the General Assembly in Fiscal Year 1995, and bonds were then sold on a cash-as-needed basis to meet scheduled construction timetables. With the final sale of \$50 million on June 1, 1998, all \$250 million in voter-approved bonds have been issued.

This appropriation provides for principal and interest payments on fourth state building bonds now outstanding. The money is transferred from general revenue to the Fourth State Building Bond and Interest Fund one year in advance of its appropriation.

Fiscal Year 2009 Governor's Recommendations

- \$18,806,732 for the transfer of general revenue for debt service on fourth state building bonds currently outstanding.

PUBLIC DEBT

SUMMARY OF FOURTH STATE BUILDING BONDS ISSUANCES

| <u>Issuance</u> | <u>Final Maturity Fiscal Year</u> | <u>Principal Amount Issued</u> | <u>Principal Amount Repaid</u> | <u>Principal Amount Refunded</u> | <u>Principal Outstanding As of 1/1/08</u> |
|--------------------------------------|---------------------------------------|------------------------------------|------------------------------------|--------------------------------------|---|
| Series A 1995 | 2005 | \$ 75,000,000 | \$ 18,700,000 | \$ 56,300,000 | \$ 0 |
| Series A 1996 | Refunded | 125,000,000 | 24,800,000 | 100,200,000 | 0 |
| Series A 1998 | Refunded | <u>50,000,000</u> | <u>9,030,000</u> | <u>40,970,000</u> | <u>0</u> |
| Totals Excluding Refunding Issues | | \$ 250,000,000 | \$ 52,530,000 | \$ 197,470,000 | \$ 0 |
| Series A 2002 Refunding | 2022 | 154,840,000 | 9,250,000 | 0 | 145,590,000 |
| Series A 2005 Refunding | 2017 | <u>45,330,000</u> | <u>0</u> | <u>0</u> | <u>45,330,000</u> |
| Totals Including Refunding Issuances | | \$ 450,170,000 | \$ 61,780,000 | \$ 197,470,000 | \$ 190,920,000 |

FOURTH STATE BUILDING BONDS COMPOSITE SCHEDULE OF DEBT SERVICE REQUIREMENTS

| <u>FISCAL YEAR</u> | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
|--------------------|---------------------|-------------------|---------------------|
| 1996 | \$ 1,380,000.00 | \$ 4,311,020.00 | \$ 5,691,020.00 |
| 1997 | 1,480,000.00 | 7,773,776.25 | 9,253,776.25 |
| 1998 | 4,260,000.00 | 11,177,882.50 | 15,437,882.50 |
| 1999 | 5,625,000.00 | 13,406,382.50 | 19,031,382.50 |
| 2000 | 5,900,000.00 | 13,077,082.50 | 18,977,082.50 |
| 2001 | 6,160,000.00 | 12,716,357.50 | 18,876,357.50 |
| 2002 | 6,470,000.00 | 12,339,770.00 | 18,809,770.00 |
| 2003 | 6,765,000.00 | 11,156,394.27 | 17,921,394.27 |
| 2004 | 7,080,000.00 | 10,498,993.76 | 17,578,993.76 |
| 2005 | 7,410,000.00 | 10,043,368.76 | 17,453,368.76 |
| 2006 | 0.00 | 8,981,897.93 | 8,981,897.93 |
| 2007 | 1,470,000.00 | 9,499,181.26 | 10,969,181.26 |
| 2008 | 7,780,000.00 | 9,306,831.26 | 17,086,831.26 |
| 2009 | 8,130,000.00 | 8,947,981.26 | 17,077,981.26 |
| 2010 | 10,320,000.00 | 8,486,731.26 | 18,806,731.26 |
| 2011 | 11,475,000.00 | 7,941,856.26 | 19,416,856.26 |
| 2012 | 9,415,000.00 | 7,419,606.26 | 16,834,606.26 |
| 2013 | 18,180,000.00 | 6,729,731.26 | 24,909,731.26 |
| 2014 | 10,295,000.00 | 6,101,503.13 | 16,396,503.13 |
| 2015 | 20,620,000.00 | 5,412,275.00 | 26,032,275.00 |
| 2016 | 22,200,000.00 | 4,341,775.00 | 26,541,775.00 |
| 2017 | 23,750,000.00 | 3,193,025.00 | 26,943,025.00 |
| 2018 | 12,450,000.00 | 2,288,025.00 | 14,738,025.00 |
| 2019 | 13,095,000.00 | 1,649,400.00 | 14,744,400.00 |
| 2020 | 13,700,000.00 | 1,039,462.50 | 14,739,462.50 |
| 2021 | 8,460,000.00 | 577,125.00 | 9,037,125.00 |
| 2022 | <u>8,830,000.00</u> | <u>198,675.00</u> | <u>9,028,675.00</u> |
| TOTAL | \$ 252,700,000.00 | \$ 198,616,110.42 | \$ 451,316,110.42 |

Total principal includes refunding excess of \$2,700,000 which does not count toward the \$250,000,000 constitutional authorization.

PUBLIC DEBT

WATER POLLUTION CONTROL BONDS DEBT SERVICE

Missouri voters have authorized the state to sell \$725 million in water pollution control bonds under the provisions of Article III, Section 37, Missouri Constitution. Increments of bonds are then authorized by the General Assembly and issued on a cash-as-needed basis to fund wastewater treatment projects approved by the Missouri Clean Water Commission. Currently, \$544.5 million in bonds, excluding refunding issuances, have been issued. General revenue is transferred to the Water Pollution Control Bond and Interest Fund one year in advance of its appropriation for principal and interest payments.

Fiscal Year 2009 Governor's Recommendations

- \$36,573,028 for the transfer of funds for debt service on water pollution control bonds currently outstanding, including \$28,240,051 general revenue.

SUMMARY OF WATER POLLUTION CONTROL BONDS ISSUANCES

| <u>Issuance</u> | <u>Final Maturity Fiscal Year</u> | <u>Principal Amount Issued</u> | <u>Principal Amount Repaid</u> | <u>Principal Amount Refunded</u> | <u>Principal Outstanding As of 1/1/08</u> |
|--------------------------------------|---------------------------------------|------------------------------------|------------------------------------|--------------------------------------|---|
| Series A 1972 | 1997 | \$ 20,000,000 | \$ 20,000,000 | \$ 0 | \$ 0 |
| Series A 1974 | 1999 | 8,000,000 | 8,000,000 | 0 | 0 |
| Series B 1974 | 1995 | 15,000,000 | 15,000,000 | 0 | 0 |
| Series A 1977 | 1997 | 31,494,240 | 31,494,240 | 0 | 0 |
| Series A 1981 | Refunded | 20,000,000 | 3,060,000 | 16,940,000 | 0 |
| Series A 1983 | Refunded | 20,000,000 | 3,585,000 | 16,415,000 | 0 |
| Series B 1983 | Refunded | 10,000,000 | 375,000 | 9,625,000 | 0 |
| Series A 1985 | Refunded | 20,000,000 | 425,000 | 19,575,000 | 0 |
| Series A 1986 | Refunded | 60,000,000 | 13,600,000 | 46,400,000 | 0 |
| Series B 1987 | Refunded | 35,000,000 | 4,305,000 | 30,695,000 | 0 |
| Series A 1989 | Refunded | 35,000,000 | 7,720,000 | 27,280,000 | 0 |
| Series A 1991 | Refunded | 35,000,000 | 7,650,000 | 27,350,000 | 0 |
| Series A 1992 | Refunded | 35,000,000 | 8,440,000 | 26,560,000 | 0 |
| Series A 1993 | 2004 | 30,000,000 | 7,650,000 | 22,350,000 | 0 |
| Series A 1995 | 2005 | 30,000,000 | 7,480,000 | 22,520,000 | 0 |
| Series A 1996 | Refunded | 35,000,000 | 6,940,000 | 28,060,000 | 0 |
| Series A 1998 | Refunded | 35,000,000 | 6,320,000 | 28,680,000 | 0 |
| Series A 1999 | Refunded | 20,000,000 | 2,405,000 | 17,595,000 | 0 |
| Series A 2001 | 2026 | 20,000,000 | 3,075,000 | 80,000 | 16,845,000 |
| Series A 2002 | 2028 | 30,000,000 | 3,815,000 | 0 | 26,185,000 |
| Series A 2007 | 2033 | 50,000,000 | 0 | 0 | 50,000,000 |
| Totals Excluding Refunding Issuances | | \$ 594,494,240 | \$ 161,339,240 | \$ 340,125,000 | \$ 93,030,000 |
| Series A 1987 Refunding | Refunded | 49,715,000 | 16,475,000 | 33,240,000 | 0 |
| Series B 1991 Refunding | Refunded | 17,435,000 | 6,080,000 | 11,355,000 | 0 |
| Series C 1991 Refunding | Refunded | 33,575,000 | 11,700,000 | 21,875,000 | 0 |
| Series B 1992 Refunding | Refunded | 50,435,000 | 16,840,000 | 33,595,000 | 0 |
| Series B 1993 Refunding | Refunded | 109,415,000 | 32,875,000 | 76,540,000 | 0 |
| Series B 2002 Refunding | 2022 | 147,710,000 | 38,315,000 | 0 | 109,395,000 |
| Series A 2003 Refunding | 2017 | 74,655,000 | 2,715,000 | 51,535,000 | 20,405,000 |
| Series A 2005 Refunding | 2017 | 95,100,000 | 0 | 0 | 95,100,000 |
| Totals Including Refunding Issuances | | \$ 1,172,534,240 | \$ 286,339,240 | \$ 568,265,000 | \$ 317,930,000 |

PUBLIC DEBT

**WATER POLLUTION CONTROL BONDS
COMPOSITE SCHEDULE OF DEBT SERVICE REQUIREMENTS**

| <u>FISCAL YEAR</u> | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
|--------------------|--------------------------|--------------------------|----------------------------|
| 1973 | \$ 570,000.00 | \$ 930,188.68 | \$ 1,500,188.68 |
| 1974 | 485,000.00 | 986,240.00 | 1,471,240.00 |
| 1975 | 705,000.00 | 1,751,569.56 | 2,456,569.56 |
| 1976 | 1,105,000.00 | 2,145,455.00 | 3,250,455.00 |
| 1977 | 1,160,000.00 | 2,080,357.50 | 3,240,357.50 |
| 1978 | 2,129,240.00 | 3,259,522.70 | 5,388,762.70 |
| 1979 | 2,240,000.00 | 3,405,992.50 | 5,645,992.50 |
| 1980 | 2,355,000.00 | 3,278,505.00 | 5,633,505.00 |
| 1981 | 2,475,000.00 | 3,146,440.00 | 5,621,440.00 |
| 1982 | 3,135,000.00 | 4,730,807.06 | 7,865,807.06 |
| 1983 | 3,165,000.00 | 4,694,670.00 | 7,859,670.00 |
| 1984 | 3,580,000.00 | 6,591,015.00 | 10,171,015.00 |
| 1985 | 3,915,000.00 | 6,805,965.00 | 10,720,965.00 |
| 1986 | 4,325,000.00 | 8,378,860.00 | 12,703,860.00 |
| 1987 | 4,650,000.00 | 10,567,758.28 | 15,217,758.28 |
| 1988 | 4,840,000.00 | 11,131,392.44 | 15,971,392.44 |
| 1989 | 6,805,000.00 | 13,815,388.63 | 20,620,388.63 |
| 1990 | 7,225,000.00 | 14,573,892.38 | 21,798,892.38 |
| 1991 | 8,240,000.00 | 15,275,401.13 | 23,515,401.13 |
| 1992 | 8,770,000.00 | 14,529,565.51 | 23,299,565.51 |
| 1993 | 10,110,000.00 | 16,610,720.57 | 26,720,720.57 |
| 1994 | 11,540,000.00 | 15,670,014.33 | 27,210,014.33 |
| 1995 | 13,690,000.00 | 16,312,826.27 | 30,002,826.27 |
| 1996 | 13,880,000.00 | 17,131,521.28 | 31,011,521.28 |
| 1997 | 14,790,000.00 | 17,175,506.28 | 31,965,506.28 |
| 1998 | 12,605,000.00 | 17,258,681.28 | 29,863,681.28 |
| 1999 | 14,210,000.00 | 18,152,123.78 | 32,362,123.78 |
| 2000 | 14,525,000.00 | 17,798,035.65 | 32,323,035.65 |
| 2001 | 15,690,000.00 | 17,488,317.53 | 33,178,317.53 |
| 2002 | 16,375,000.00 | 17,663,053.78 | 34,038,053.78 |
| 2003 | 15,325,000.00 | 15,878,275.62 | 31,203,275.62 |
| 2004 | 12,470,000.00 | 15,001,903.93 | 27,471,903.93 |
| 2005 | 13,075,000.00 | 14,905,332.54 | 27,980,332.54 |
| 2006 | 11,130,000.00 | 13,014,879.19 | 24,144,879.19 |
| 2007 | 11,735,000.00 | 13,626,462.52 | 25,361,462.52 |
| 2008 | 13,895,000.00 | 14,193,349.81 | 28,088,349.81 |
| 2009 | 14,270,000.00 | 14,664,012.52 | 28,934,012.52 |
| 2010 | 22,825,000.00 | 13,744,025.02 | 36,569,025.02 |
| 2011 | 24,370,000.00 | 12,577,537.52 | 36,947,537.52 |
| 2012 | 40,235,000.00 | 10,988,878.14 | 51,223,878.14 |
| 2013 | 24,270,000.00 | 9,447,693.76 | 33,717,693.76 |
| 2014 | 31,895,000.00 | 8,208,415.01 | 40,103,415.01 |
| 2015 | 23,695,000.00 | 6,972,756.26 | 30,667,756.26 |
| 2016 | 21,815,000.00 | 5,906,962.51 | 27,721,962.51 |
| 2017 | 24,470,000.00 | 4,796,368.76 | 29,266,368.76 |
| 2018 | 12,515,000.00 | 3,904,231.26 | 16,419,231.26 |
| 2019 | 10,395,000.00 | 3,350,262.51 | 13,745,262.51 |
| 2020 | 8,640,000.00 | 2,913,250.01 | 11,553,250.01 |
| 2021 | 6,705,000.00 | 2,585,718.76 | 9,290,718.76 |
| 2022 | 7,005,000.00 | 2,283,712.51 | 9,288,712.51 |
| 2023 | 4,760,000.00 | 2,017,437.51 | 6,777,437.51 |
| 2024 | 4,990,000.00 | 1,793,981.26 | 6,783,981.26 |
| 2025 | 5,235,000.00 | 1,552,156.26 | 6,787,156.26 |
| 2026 | 5,410,000.00 | 1,290,012.51 | 6,700,012.51 |
| 2027 | 4,360,000.00 | 1,016,868.76 | 5,376,868.76 |
| 2028 | 4,570,000.00 | 793,618.76 | 5,363,618.76 |
| 2029 | 2,720,000.00 | 618,168.76 | 3,338,168.76 |
| 2030 | 2,845,000.00 | 492,956.26 | 3,337,956.26 |
| 2031 | 2,980,000.00 | 361,893.76 | 3,341,893.76 |
| 2032 | 3,115,000.00 | 222,809.38 | 3,337,809.38 |
| 2033 | 3,260,000.00 | 75,387.50 | 3,335,387.50 |
| TOTAL | \$ 604,269,240.00 | \$ 502,539,106.00 | \$ 1,106,808,346.00 |

Total principal includes refunding excess of \$9,855,000 which does not count toward the \$725 million constitutional authorization.

PUBLIC DEBT

STORMWATER CONTROL BONDS DEBT SERVICE

Missouri voters have authorized the state to sell \$200 million in stormwater control bonds under the provisions of Article III, Section 37, Missouri Constitution. Increments of bonds are then authorized by the General Assembly and issued on a cash-as-needed basis to fund stormwater control projects. Currently, \$45 million in bonds, excluding refunding issuances, have been issued. General revenue is transferred to the Stormwater Control Bond and Interest Fund one year in advance of its appropriation for payment of principal and interest.

Fiscal Year 2009 Governor's Recommendations

- \$3,201,221 for the transfer of general revenue for debt service on stormwater control bonds currently outstanding.

SUMMARY OF STORMWATER CONTROL BONDS ISSUANCES

| <u>Issuance</u> | <u>Final Maturity Fiscal Year</u> | <u>Principal Amount Issued</u> | <u>Principal Amount Repaid</u> | <u>Principal Amount Refunded</u> | <u>Principal Outstanding As of 1/1/08</u> |
|--------------------------------------|---------------------------------------|------------------------------------|------------------------------------|--------------------------------------|---|
| Series A 1999 | Refunded | \$ 20,000,000 | \$ 2,405,000 | \$ 17,595,000 | \$ 0 |
| Series A 2001 | 2026 | 10,000,000 | 1,540,000 | 235,000 | 8,225,000 |
| Series A 2002 | 2028 | <u>15,000,000</u> | <u>1,905,000</u> | <u>1,640,000</u> | <u>11,455,000</u> |
| Totals Excluding Refunding Issuances | | \$ 45,000,000 | \$ 5,850,000 | \$ 19,470,000 | \$ 19,680,000 |
| Series A 2005 Refunding | 2016 | <u>17,175,000</u> | <u>0</u> | <u>0</u> | <u>17,175,000</u> |
| Total Including Refunding Issuances | | \$ 62,175,000 | \$ 5,850,000 | \$ 19,470,000 | \$ 36,855,000 |

PUBLIC DEBT**STORMWATER CONTROL BONDS
COMPOSITE SCHEDULE OF DEBT SERVICE REQUIREMENTS**

| <u>FISCAL YEAR</u> | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
|---------------------------|-------------------------|------------------------|---------------------|
| 2000 | \$ 0.00 | \$ 541,461.88 | \$ 541,461.88 |
| 2001 | 445,000.00 | 1,070,352.51 | 1,515,352.51 |
| 2002 | 695,000.00 | 1,535,101.26 | 2,230,101.26 |
| 2003 | 725,000.00 | 1,820,680.01 | 2,545,680.01 |
| 2004 | 1,095,000.00 | 2,093,433.76 | 3,188,433.76 |
| 2005 | 1,145,000.00 | 2,037,133.76 | 3,182,133.76 |
| 2006 | 650,000.00 | 1,712,090.83 | 2,362,090.83 |
| 2007 | 680,000.00 | 1,899,170.00 | 2,579,170.00 |
| 2008 | 705,000.00 | 1,780,776.27 | 2,485,776.27 |
| 2009 | 730,000.00 | 1,754,907.52 | 2,484,907.52 |
| 2010 | 1,405,000.00 | 1,702,470.02 | 3,107,470.02 |
| 2011 | 1,690,000.00 | 1,625,832.52 | 3,315,832.52 |
| 2012 | 3,205,000.00 | 1,510,548.14 | 4,715,548.14 |
| 2013 | 3,850,000.00 | 1,341,988.76 | 5,191,988.76 |
| 2014 | 4,255,000.00 | 1,146,208.76 | 5,401,208.76 |
| 2015 | 4,540,000.00 | 933,193.76 | 5,473,193.76 |
| 2016 | 4,215,000.00 | 720,443.76 | 4,935,443.76 |
| 2017 | 1,010,000.00 | 592,700.01 | 1,602,700.01 |
| 2018 | 1,060,000.00 | 543,131.26 | 1,603,131.26 |
| 2019 | 1,110,000.00 | 494,068.76 | 1,604,068.76 |
| 2020 | 1,165,000.00 | 442,313.51 | 1,607,313.51 |
| 2021 | 1,220,000.00 | 387,156.26 | 1,607,156.26 |
| 2022 | 1,280,000.00 | 328,409.38 | 1,608,409.38 |
| 2023 | 1,340,000.00 | 265,393.75 | 1,605,393.75 |
| 2024 | 1,410,000.00 | 198,887.50 | 1,608,887.50 |
| 2025 | 1,480,000.00 | 129,462.50 | 1,609,462.50 |
| 2026 | 1,320,000.00 | 56,637.50 | 1,376,637.50 |
| 2027 | 280,000.00 | 7,000.00 | 287,000.00 |
| TOTAL | \$ 42,705,000.00 | \$ 28,670,953.95 | \$ 71,375,953.95 |

Total principal includes refunding excess of (\$420,000) which does not count toward the \$200 million constitutional authorization.

PUBLIC DEBT

THIRD STATE BUILDING BONDS DEBT SERVICE

Missouri voters approved \$600 million in third state building bonds to be used for capital improvement projects at state facilities and for specific types of local economic development projects under Article III, Section 37, Missouri Constitution. The General Assembly authorized issuance of \$75 million for Fiscal Year 1983, \$50 million for Fiscal Year 1984, \$75 million for Fiscal Year 1985, and \$400 million for Fiscal Year 1986. Bonds were then sold on a cash-as-needed basis to meet scheduled construction timetables. With the final sale of \$75 million on December 1, 1987, all \$600 million in voter-approved bonds have been issued.

This appropriation provides for principal and interest payments on third state building bonds now outstanding. The money is transferred from general revenue to the Third State Building Bond Interest and Sinking Fund one year in advance of its appropriation.

Fiscal Year 2009 Governor's Recommendations

- \$39,631,188 for the transfer of general revenue for debt service on third state building bonds currently outstanding.

SUMMARY OF THIRD STATE BUILDING BONDS ISSUANCES

| <u>Issuance</u> | <u>Final Maturity Fiscal Year</u> | <u>Principal Amount Issued</u> | <u>Principal Amount Repaid</u> | <u>Principal Amount Refunded</u> | <u>Principal Outstanding As of 1/1/08</u> |
|--------------------------------------|---------------------------------------|------------------------------------|------------------------------------|--------------------------------------|---|
| Series A 1983 | Refunded | \$ 40,000,000 | \$ 7,165,000 | \$ 32,835,000 | \$ 0 |
| Series B 1983 | Refunded | 35,000,000 | 1,325,000 | 33,675,000 | 0 |
| Series A 1984 | Refunded | 50,000,000 | 1,870,000 | 48,130,000 | 0 |
| Series A 1985 | Refunded | 75,000,000 | 1,625,000 | 73,375,000 | 0 |
| Series A 1986 | Refunded | 325,000,000 | 73,645,000 | 251,355,000 | 0 |
| Series B 1987 | Refunded | <u>75,000,000</u> | <u>9,220,000</u> | <u>65,780,000</u> | <u>0</u> |
| Totals Excluding Refunding Issuances | | \$ 600,000,000 | \$ 94,850,000 | \$ 505,150,000 | \$ 0 |
| Series A 1987 Refunding | Refunded | 170,115,000 | 56,390,000 | 113,725,000 | 0 |
| Series A 1991 Refunding | Refunded | 34,870,000 | 11,935,000 | 22,935,000 | 0 |
| Series B 1991 Refunding | Refunded | 71,955,000 | 24,635,000 | 47,320,000 | 0 |
| Series A 1992 Refunding | Refunded | 273,205,000 | 92,035,000 | 181,170,000 | 0 |
| Series A 1993 Refunding | Refunded | 148,480,000 | 69,100,000 | 79,380,000 | 0 |
| Series A 2002 Refunding | 2013 | 211,630,000 | 115,190,000 | 0 | 96,440,000 |
| Series A 2003 Refunding | 2013 | <u>75,650,000</u> | <u>50,760,000</u> | <u>0</u> | <u>24,890,000</u> |
| Totals Including Refunding Issuances | | \$ 1,585,905,000 | \$ 514,895,000 | \$ 949,680,000 | \$ 121,330,000 |

PUBLIC DEBT

**THIRD STATE BUILDING BONDS
COMPOSITE SCHEDULE OF DEBT SERVICE REQUIREMENTS**

| <u>FISCAL YEAR</u> | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
|--------------------|---------------------|-------------------|---------------------|
| 1984 | \$ 470,000.00 | \$ 4,842,987.50 | \$ 5,312,987.50 |
| 1985 | 1,490,000.00 | 11,034,230.00 | 12,524,230.00 |
| 1986 | 2,270,000.00 | 17,725,712.50 | 19,995,712.50 |
| 1987 | 2,745,000.00 | 30,902,276.22 | 33,647,276.22 |
| 1988 | 5,865,000.00 | 36,209,164.83 | 42,074,164.83 |
| 1989 | 11,430,000.00 | 44,179,397.16 | 55,609,397.16 |
| 1990 | 12,280,000.00 | 43,153,872.16 | 55,433,872.16 |
| 1991 | 13,235,000.00 | 42,050,290.91 | 55,285,290.91 |
| 1992 | 14,230,000.00 | 37,998,667.16 | 52,228,667.16 |
| 1993 | 15,755,000.00 | 36,585,883.33 | 52,340,883.33 |
| 1994 | 17,280,000.00 | 32,547,322.96 | 49,827,322.96 |
| 1995 | 20,000,000.00 | 30,798,942.51 | 50,798,942.51 |
| 1996 | 21,550,000.00 | 29,172,938.76 | 50,722,938.76 |
| 1997 | 23,175,000.00 | 27,523,861.26 | 50,698,861.26 |
| 1998 | 23,985,000.00 | 25,883,931.26 | 49,868,931.26 |
| 1999 | 28,305,000.00 | 24,158,196.88 | 52,463,196.88 |
| 2000 | 30,345,000.00 | 22,248,060.00 | 52,593,060.00 |
| 2001 | 31,485,000.00 | 20,471,257.50 | 51,956,257.50 |
| 2002 | 31,615,000.00 | 18,933,312.50 | 50,548,312.50 |
| 2003 | 29,340,000.00 | 14,477,728.61 | 43,817,728.61 |
| 2004 | 19,370,000.00 | 13,017,349.86 | 32,387,349.86 |
| 2005 | 33,930,000.00 | 12,602,912.50 | 46,532,912.50 |
| 2006 | 39,195,000.00 | 10,925,562.50 | 50,120,562.50 |
| 2007 | 41,535,000.00 | 8,974,287.50 | 50,509,287.50 |
| 2008 | 44,015,000.00 | 6,981,862.50 | 50,996,862.50 |
| 2009 | 41,925,000.00 | 4,979,687.50 | 46,904,687.50 |
| 2010 | 36,615,000.00 | 3,016,187.50 | 39,631,187.50 |
| 2011 | 32,115,000.00 | 1,297,937.50 | 33,412,937.50 |
| 2012 | 5,185,000.00 | 375,631.25 | 5,560,631.25 |
| 2013 | <u>5,490,000.00</u> | <u>128,100.00</u> | <u>5,618,100.00</u> |
| TOTAL | \$ 636,225,000.00 | \$ 613,197,552.62 | \$ 1,249,422,552.62 |

Total principal includes refunding excess of \$36,225,000 which does not count toward the \$600 million constitutional authorization.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | FY 2009 REQUEST | GOVERNOR RECOMMENDS FY 2009 |
|---|------------------------|--------------------------|--------------------|-----------------------------------|
| General Administration | \$ 199,634,527 | \$ 241,867,423 | \$ 240,676,761 | \$ 240,717,507 |
| Facility Services | 1,389,565 | 0 | 0 | 0 |
| Public School Aid | 3,930,101,582 | 4,047,045,231 | 4,247,343,349 | 4,179,380,739 |
| School Improvement/Teacher | | | | |
| Quality and Urban Education | 338,059,973 | 388,019,344 | 405,262,484 | 395,424,439 |
| Vocational Rehabilitation | 83,543,053 | 103,154,592 | 102,070,970 | 98,919,252 |
| Vocational and Adult Education | 64,716,605 | 76,390,932 | 88,566,701 | 72,609,049 |
| Special Education | 288,356,837 | 308,154,883 | 315,080,717 | 315,198,875 |
| Board Operated Schools Operations | 47,338,957 | 50,047,299 | 49,780,459 | 50,689,066 |
| Commission for the Deaf and Hard of Hearing | 342,892 | 460,414 | 453,879 | 446,545 |
| Assistive Technology Council | 2,797,027 | 4,270,861 | 3,870,861 | 3,785,175 |
| Children's Services Commission | 0 | 10,000 | 10,000 | 10,000 |
| DEPARTMENTAL TOTAL | \$ 4,956,281,018 | \$ 5,219,420,979 * | \$ 5,453,116,181 | \$ 5,357,180,647 |
| General Revenue Fund | 127,428,427 | 127,683,566 | 172,945,738 | 133,901,275 |
| Federal Funds | 832,328,755 | 956,462,095 | 949,838,547 | 949,213,291 |
| School District Bond Fund | 363,006 | 592,000 | 392,000 | 392,000 |
| Certification of Interpreters Fund | 85,026 | 117,000 | 117,000 | 117,000 |
| Independent Living Center Fund | 357,970 | 390,556 | 390,556 | 390,556 |
| Outstanding Schools Trust Fund ** | 532,872,377 | 587,317,690 | 587,317,691 | 644,817,690 |
| Bingo Proceeds for Education Fund | 1,707,166 | 1,707,167 | 1,707,167 | 1,707,167 |
| Lottery Proceeds Fund | 149,841,962 | 169,783,347 | 165,841,808 | 177,921,807 |
| Deaf Relay Ser & Eq Dist Program Fund | 1,542,347 | 2,164,366 | 1,864,366 | 1,870,649 |
| Children's Service Commission Fund | 0 | 10,000 | 10,000 | 10,000 |
| State School Moneys Fund *** | 2,207,502,780 | 2,237,425,280 | 2,437,123,394 | 2,305,760,788 |
| Handicapped Children's Trust Fund | 8,765 | 30,000 | 30,000 | 30,000 |
| Excellence in Education Fund | 1,484,861 | 2,946,974 | 2,946,974 | 2,955,082 |
| School District Trust Fund **** | 784,900,800 | 798,200,000 | 798,200,001 | 803,700,000 |
| Missouri Commission for the Deaf | | | | |
| and Hard of Hearing Fund | 2,072 | 51,136 | 51,136 | 52,100 |
| Missouri Assistive Technology Fund | 427,004 | 750,000 | 750,000 | 750,000 |
| Classroom Trust Fund***** | 297,208,638 | 311,285,314 | 311,285,315 | 311,285,314 |
| Part C Early Intervention Fund | 2,554,961 | 5,095,254 | 5,095,254 | 5,095,254 |
| Early Childhood Development, | | | | |
| Education and Care Fund | 14,950,002 | 15,336,244 | 15,336,244 | 15,336,244 |
| Assistive Technology Loan Revenue Fund | 181,023 | 547,990 | 347,990 | 349,430 |
| School for the Blind Trust Fund | 521,320 | 1,500,000 | 1,500,000 | 1,500,000 |
| School for the Deaf Trust Fund | 11,756 | 25,000 | 25,000 | 25,000 |
| Full-time equivalent employees | 1,690.85 | 1,831.71 | 1,831.71 | 1,830.21 |

* Does not include \$35,203,981 recommended in the Fiscal Year 2008 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the Department of Elementary and Secondary Education supplemental appropriations.

** Outstanding Schools Trust Fund receives an annual transfer from general revenue.

*** The State School Moneys Fund receives an annual transfer from general revenue, the Fair Share Fund, County Foreign Insurance Tax, and cigarette taxes.

**** The School District Trust Fund receives revenues generated by a one cent sales tax (Proposition C).

***** The Classroom Trust Fund receives an annual transfer from the Gaming Proceeds for Education Fund and unclaimed lottery prize money.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DEPARTMENT SUMMARY

Governor Blunt's Fiscal Year 2009 budget provides a total of \$5.4 billion for elementary and secondary education. Foundation Formula aid to local districts will increase \$121.3 million in Fiscal Year 2009, which is a 4.3 percent increase over Fiscal Year 2008 funding levels. This funding supports 2,278 public schools and nearly 990,000 students throughout the state.

The core functions provided by the Department of Elementary and Secondary Education include:

- Administering educational policies of the state and supervising instruction in the public schools.
- Distributing school funding, including the Foundation Program, and state and federal grant programs.
- Granting certificates of qualification and licenses to teach in the public schools of the state.
- Providing vocational rehabilitation services to Missourians with disabilities to help them obtain employment.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION**FINANCIAL SUMMARY**

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDS FY 2009 |
|---|------------------------|--------------------------|-----------------------------------|
| Administrative and Financial Services | \$ 4,932,436 | \$ 7,017,645 | \$ 7,067,729 |
| Court-Ordered Payments | 12,000,000 | 11,000,000 | 10,000,000 |
| Early Grade Literacy/Professional Development | 492,500 | 500,000 | 500,000 |
| School Food Services | 180,098,678 | 207,757,778 | 207,757,778 |
| School District Bond Program | 363,006 | 592,000 | 392,000 |
| Federal Grants and Donations | 1,747,907 | 15,000,000 | 15,000,000 |
| TOTAL | \$ 199,634,527 | \$ 241,867,423 | \$ 240,717,507 |
| General Revenue Fund | 17,735,918 | 16,887,883 | 15,937,159 |
| Federal Funds | 179,660,092 | 221,045,566 | 221,038,266 |
| Lottery Proceeds Fund | 140,650 | 145,000 | 145,000 |
| Other Funds | 2,097,867 | 3,788,974 | 3,597,082 |

GENERAL ADMINISTRATION

The Department of Elementary and Secondary Education is supervised by the State Board of Education, which consists of eight members appointed for eight-year terms by the Governor with the advice and consent of the Senate. The board appoints the Commissioner of Education as its chief administrative officer.

The Department of Elementary and Secondary Education's administrative responsibilities include the distribution of all federal and state funds to local school districts and other agencies. The department also administers the department's Court Ordered Payment Program. The Court Ordered Payment Program was a result of the 1997 desegregation settlement with Kansas City and St. Louis school districts. Operating payments have ended; however, transfer costs and capital outlays will continue through Fiscal Year 2010. As these payments phase out, savings will be redirected to the school foundation formula for the benefit of school districts across the state.

Other administrative functions of the department include the supervision and administration of the Early Grade Literacy Program, School Food Program, School District Bond Program, and Federal Grants and Donations.

Fiscal Year 2009 Governor's Recommendations

- \$105,504 for pay plan, including \$68,447 general revenue.
- (\$1,000,000) core reduction for Court Ordered Payments to be redistributed to the foundation formula as required by law.
- (\$200,000) other funds core reduction for the School District Bond Program.
- (\$36,249) federal funds core reduction for one-time expenditures.
- (\$19,171) core reduction for mailroom consolidation from the Fiscal Year 2008 appropriation level.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDS FY 2009 |
|---|------------------------|--------------------------|-----------------------------------|
| Foundation - Formula | \$ 2,748,753,809 | \$ 2,839,884,230 | \$ 2,961,219,738 |
| Foundation - Small Schools Program | 15,000,000 | 15,000,000 | 15,000,000 |
| Foundation - Transportation | 162,667,713 | 167,797,713 | 167,797,713 |
| Foundation - Early Special Education | 96,311,209 | 96,311,209 | 98,811,209 |
| Foundation - Career Ladder | 37,284,128 | 37,467,000 | 37,467,000 |
| Foundation - Career Education | 52,880,428 | 52,880,428 | 52,880,428 |
| Foundation - Parent Education/Parents As Teachers | 32,303,495 | 34,304,651 | 36,304,651 |
| School District Trust Fund | 784,900,800 | 798,200,000 | 803,700,000 |
| Virtual Education | 0 | 5,200,000 | 6,200,000 |
| DEPARTMENT TOTAL | \$ 3,930,101,582 | \$ 4,047,045,231 | \$ 4,179,380,739 |
| Outstanding Schools Trust Fund | 531,669,772 | 586,115,085 | 643,615,085 |
| Lottery Proceeds Fund | 108,979,552 | 114,179,552 | 115,179,552 |
| State School Moneys Fund | 2,207,342,820 | 2,237,265,280 | 2,305,600,788 |
| School District Trust Fund | 784,900,800 | 798,200,000 | 803,700,000 |
| Classroom Trust Fund | 297,208,638 | 311,285,314 | 311,285,314 |

PUBLIC SCHOOL AID

A multitude of programs and funding sources are utilized to ensure all Missouri children receive a quality education. The bulk of state aid is distributed to districts via the foundation formula. In 2005, Governor Blunt signed into law Senate Bill 287, resulting in an equitable foundation formula to distribute state aid to Missouri schools. Missouri's foundation formula now apportions money to school districts based on student need. State funds are distributed to school districts based on the state adequacy target per pupil less the local effort. The new formula provides additional funding for children struggling with the English language, financial constraints, and special needs. In addition, the formula uses a regional dollar value modifier to address cost of living differences throughout the state.

Revenues from the Fair Share Fund, County Foreign Insurance Tax, and Gaming Proceeds for Education Fund are distributed via the foundation formula.

- Fair Share Fund revenues are generated from tax receipts from four cents per cigarette pack established by Section 149.015, RSMo.
- County Foreign Insurance Tax revenues are generated from the receipts of a two percent, per annum tax levied on the direct premiums of insurance companies not based in Missouri but doing business in Missouri. One-half of the net receipts of the County Foreign Insurance Tax from the previous year are distributed to school districts.
- The Gaming Proceeds for Education Fund is transferred to the Classroom Trust Fund, which is distributed directly to districts as a component of the foundation formula.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

PUBLIC SCHOOL AID (Continued)

In addition to the foundation formula, Missouri's Public School Aid includes funding for four categorical add-on programs.

- The transportation add-on pays school districts up to 75 percent of the allowable costs of school bus and other transportation.
- The Career Ladder Program provides an incentive to teachers, librarians, and counselors who voluntarily participate in professional development activities. This program is financed by state and local matching funds.
- Career education provides for a full range of career education programs, services, and activities relating to agricultural education; business, marketing, and cooperative education; family and consumer sciences; health sciences; and trade and industrial education.
- The Early Childhood Development Program provides state reimbursement to school districts that provide any of three programs for preschool children: 1) developmental screenings; 2) parent education; and 3) programs for the developmentally delayed.

The Small School Success Program provides additional funding for small school districts throughout the state. The School District Trust Fund provides additional funding distributed directly to districts to be used largely at their discretion. School District Trust Fund revenues are generated from Proposition C, which collects a one percent sales tax for elementary and secondary education.

In 2006, legislation was passed creating the Missouri Virtual School. The Missouri Virtual School will allow children to enroll in on-line classes. Students will have the option of enrolling full-time in the Virtual School or enrolling part-time allowing them to take courses not currently offered in their local school. Enrollment will be open to all students, public or private including home-schooled students.

Fiscal Year 2009 Governor's Recommendations

- \$121,335,508 other funds for the foundation formula.
- \$5,500,000 School District Trust Fund for distribution to school districts.
- \$2,500,000 State School Moneys Fund for the Early Childhood Special Education Program.
- \$2,000,000 State School Moneys Fund for the Parents as Teachers Program.
- \$1,000,000 Lottery Proceeds Fund for the Virtual School Program.

To ensure adequate funding is available for Missouri's Public School Aid, a number of transfers are made from general revenue (GR), the Gaming Proceeds for Education Fund (GPEF), and the Lottery Proceeds Fund (LPF) to the Outstanding Schools Trust Fund (OSTF), State School Moneys Fund (SSMF), and the Classroom Trust Fund (CTF).

| Transferred From | Transferred To | FY07 Actual | FY08 Appropriation | FY09 Recommended | FY09 Increases |
|-------------------|----------------|-----------------|--------------------|------------------|----------------|
| GR | OSTF | \$532,400,000* | \$587,317,690 | \$644,817,690 | \$57,500,000 |
| GR | SSMF | \$2,033,218,993 | \$2,033,582,289 | \$2,128,346,888 | \$94,764,599 |
| GR-County Foreign | SSMF | \$97,168,230 | \$95,800,000 | \$100,800,000 | \$5,000,000 |
| Fair Share | SSMF | \$23,400,000 | \$23,400,000 | \$22,800,000 | (\$600,000) |
| GPFE | CTF | \$292,026,115 | \$299,625,742 | \$299,625,742 | \$0 |
| LPF -Unclaimed | | \$7,622,342 | \$11,659,572 | \$10,464,908 | (\$1,194,664) |

* FY07 Actual includes funding for the FY07 formula supplemental.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISIONS OF SCHOOL IMPROVEMENT/TEACHER QUALITY AND URBAN EDUCATION

The Division of School Improvement manages state and federal grant programs in addition to providing consultant services and technical assistance to local school districts. The division is comprised of three main areas: School Improvement and Accreditation, Curriculum Services and Assessment, and federal programs.

- School Improvement and Accreditation is responsible for the collection and maintenance of school core data, accrediting school districts through the Missouri School Improvement Program, supervising academically deficient schools, and administering Charter Schools and A+ programs.
- Curriculum Services and Assessment is responsible for providing curriculum technical assistance to school districts, overseeing the Missouri Assessment Program, providing support for gifted programs, and administering the Missouri Scholars and Fine Arts Academies.
- The division also monitors federal compliance with No Child Left Behind and manages multiple federal entitlement and discretionary grants.

The Division of Teacher Quality and Urban Education carries out the department's statutory obligations relating to educator certification, recruitment and retention, preparation, and professional development. The division is comprised of several sections including Educator Certification, Educator Preparation, Educator Recruitment and Retention, and Professional Development.

- Educator Certification is responsible for issuing and revoking certificates of license to teach, as well as maintaining records of certificated professionals.
- Educator Preparation administers MoSTEP, a program that evaluates professional education programs at Missouri higher education institutions.
- Educator Recruitment and Retention provides technical assistance to local districts and oversees programs including Career Ladder, professional staff tuition reimbursement, and scholarship programs.
- Professional Development designs, implements, and evaluates a variety of professional development events related to school improvement, instructional leadership, and student success.

Fiscal Year 2009 Governor's Recommendations

- \$10,000,000 federal funds for the Title I Compensatory Education Program.
- \$5,000,000 Lottery Proceeds Fund for eMINTS (enhancing Missouri's Instructional Networked Teaching Strategies) classroom technology.
- \$3,480,000 Lottery Proceeds Fund for the A+ Program.
- \$1,000,000 federal funds for the Wallace Foundation Grant Program.
- \$500,000 for teacher expenses related to Advanced Placement Summer Institutes.
- \$216,200 for the Urban Flight and Rural Needs Scholarship Program.
- \$200,000 for the Missouri Scholars and Fine Arts Academies.
- \$163,595 for pay plan, including \$77,246 general revenue.
- (\$5,000,000) federal funds core reduction for the Title II Improving Teacher Quality Program.
- (\$2,924,700) Lottery Proceeds Fund core reduction for one-time expenditures.
- (\$2,000,000) federal funds core reduction for the Title I Reading First Program.
- (\$2,000,000) federal funds core reduction for the Safe and Drug-Free Schools Program.
- (\$915,000) federal funds core reduction for the Comprehensive School Reform Program.
- (\$300,000) federal funds core reduction for the Education Leadership Program.
- (\$15,000) federal funds core reduction for the Gold Star Schools Program.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISION OF VOCATIONAL REHABILITATION

The Division of Vocational Rehabilitation provides services to Missourians with disabilities to help them overcome impediments to employment. Vocational Rehabilitation is comprised of three sections: Vocational Rehabilitation, Disability Determinations, and Independent Living.

- Vocational Rehabilitation assists individuals with disabilities to obtain and/or maintain employment.
- Disability Determinations is responsible for collecting and documenting medical evidence of a disability and is funded by the federal Social Security Administration.
- Independent Living Centers are non-residential, private, non-profit, consumer-controlled, community-based organizations providing services and advocacy by and for persons with all types of disabilities.

Fiscal Year 2009 Governor's Recommendations

- \$41,481 federal funds for replacement vehicles.
- \$767,255 federal funds for pay plan.
- (\$3,000,000) federal funds core reduction for the Vocational Rehabilitation Program.
- (\$2,000,000) federal funds core reduction for the Disability Determinations Program.
- (\$36,249) federal funds core reduction for one-time expenditures.
- (\$7,827) federal funds and (1.5) staff core reduction for mailroom consolidation from the Fiscal Year 2008 appropriation level.

DIVISION OF VOCATIONAL AND ADULT EDUCATION

The Division of Vocational and Adult Education provides individuals with services that supply the technical knowledge and skills needed to prepare for employment. The division also develops state plans for vocational and adult education and literacy that form the basis for distribution of federal and state funds to local education agencies. The Division of Vocational and Adult Education includes: the Distribution to Schools Program, Workforce Investment Act grants, Adult Basic Education Program, Special Literacy Grant Award Program, school-aged child care, and Troops to Teachers Program.

- The Distribution to Schools Program oversees grants provided to educational institutions for improving vocational-technical programs and distribution of funds to vocational programs located in public school districts, institutions of higher education, state agencies, and business establishments.
- The federal Workforce Investment Act provides federal funds that can be used for skill training for 15 service delivery areas in Missouri.
- The Adult Basic Education Program provides training in the fundamental skills of English, reading, and mathematics. To enroll in a class, a person must be 16 years of age or older, out of school, and lacking a high school diploma.
- The Special Literacy Grant Award Program was established to respond to the increasing numbers of adults needing basic education services.
- The federal Child Care and Development Block Grant provides funds to house school-aged child care programs in school buildings when they are not being used for educational classes.
- The Troops to Teachers Program is designed to encourage military personnel transitioning to the civilian labor force to consider teaching as a post-military career.

Fiscal Year 2009 Governor's Recommendations

- \$1,100,000 Lottery Proceeds Fund for After School programs.
- \$15,425 federal funds for replacement vehicles.
- \$102,692 for pay plan, including \$38,947 general revenue.
- (\$2,000,000) federal funds core reduction for the Adult Basic Education Program.
- (\$1,000,000) Lottery Proceeds Fund core reduction for one-time expenditures.
- (\$1,000,000) federal funds core reduction for Distribution to Schools Program.
- (\$1,000,000) federal funds core reduction for the Workforce Investment Act Grant Program.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DIVISION OF SPECIAL EDUCATION

The Division of Special Education is responsible for state and federal special education funds for Missouri public schools. The division administers special education grants, the High Need Fund and the Excess Cost of Public Placements, as well as the coordination of the First Steps Program, Sheltered Workshops, Readers for the Blind Program, and the Blind Literacy Task Force.

- Special education grants provide federal funds to districts to aid them in the purchase of instructional and technological equipment and services for disabled children.
- The High Need Fund and the Excess Cost of Public Placements are programs designed to aid school districts with education costs that exceed a district's normal expenditure per pupil. Excess Cost of Public Placements was created to address the issue of children in residential placements per the direction of the courts, the Department of Social Services, or the Department of Mental Health.
- The First Steps Program is designed for children, birth to age 3, who have delayed development or diagnosed conditions that are associated with development disabilities.
- Sheltered Workshops are non-profit corporations that give people with disabilities a controlled working environment. Programs are designed to enable persons to progress toward normal living and develop their work capacities.
- The Readers for the Blind Program provides funds to employ readers for blind students served in local districts.
- The Blind Literacy Task Force was established to improve special education, vocational training, work to school transitions, rehabilitation services, independent living, and employment outcomes for blind and visually impaired students.

Fiscal Year 2009 Governor's Recommendations

- \$5,200,000 for the Sheltered Workshop Program.
- \$1,500,000 Lottery Proceeds Fund for the Special Education High Need Program.
- \$50,000 for the First Steps Program.
- \$68,158 for pay plan, including \$6,392 general revenue.
- \$250,000 federal funds and five staff reallocated from Board Operated Schools.
- (\$24,166) federal funds core reduction for one-time expenditures.

BOARD OPERATED SCHOOLS OPERATIONS

The State Board of Education operates two residential facilities, the School for the Blind in St. Louis and the School for the Deaf in Fulton, and day-school facilities - the State Schools for the Severely Handicapped located throughout the state. The Department of Elementary and Secondary Education oversees the distribution of state, federal, and private donations to these institutions.

- The Missouri School for the Blind offers elementary and secondary education in a residential school environment for blind or visually impaired students from ages 5 to 21 years.
- The Missouri School for the Deaf provides elementary and secondary education in a residential school environment for deaf- or hearing-impaired students from ages 5 to 21 years. The school provides separate facilities for primary age, intermediate age, and high school students.
- For students too severely disabled to be served effectively by local public schools, the department operates 37 state schools and contracts with private non-profit agencies to provide educational services for children the state schools cannot practically serve. These schools offer day programs in basic and prevocational training with the ultimate goal of assisting students in functioning semi-independently in their homes and communities.

Fiscal Year 2009 Governor's Recommendations

- \$908,607 for pay plan, including \$894,481 general revenue.
- (\$250,000) federal funds and (five) staff reallocated to the Special Education Division.
- (\$16,840) Lottery Proceeds Fund core reduction for one-time expenditures.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

COMMISSION FOR THE DEAF AND HARD OF HEARING

The Missouri Commission for the Deaf and Hard of Hearing and the Board for Certification of Interpreters are assigned to the Department of Elementary and Secondary Education.

Fiscal Year 2009 Governor's Recommendations

- \$7,747 for pay plan, including \$6,783 general revenue.
- (\$21,616) core reduction for one-time expenditures.

MISSOURI ASSISTIVE TECHNOLOGY COUNCIL

The Missouri Assistive Technology Council is assigned to the Department of Elementary and Secondary Education. The council supports access to adaptive devices that increase the independence and productivity of Missourians with all types of disabilities. The council provides adaptive telecommunications devices and computer adaptations, short-term loan of a full range of assistive technology, used equipment exchange, and low-interest loans for the purchase of assistive technology and home modifications.

Fiscal Year 2009 Governor's Recommendations

- \$14,314 federal and other funds for pay plan.
- (\$500,000) federal funds core reduction from the Fiscal Year 2008 appropriation level.

MISSOURI CHILDREN'S SERVICES COMMISSION

The Missouri Children's Services Commission is assigned to the Department of Elementary and Secondary Education. The Missouri Children's Services Commission takes a leadership role in identifying and evaluating programs and state services that affect the children of Missouri.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF HIGHER EDUCATION

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | FY 2009 REQUEST | GOVERNOR RECOMMENDS FY 2009 |
|--|-------------------------|---------------------------|-------------------------|-----------------------------------|
| Higher Education Coordination | \$ 555,416 | \$ 731,777 | \$ 1,180,020 | \$ 1,197,739 |
| Proprietary School Regulation | 110,891 | 231,741 | 281,155 | 284,385 |
| Midwest Higher Education Compact | 90,000 | 90,000 | 95,000 | 95,000 |
| Federal Education Programs | 1,681,711 | 3,780,557 | 3,780,557 | 3,782,422 |
| Financial Aid | 172,675,435 | 202,721,966 | 226,273,764 | 254,860,995 |
| Community Colleges | 132,172,507 | 142,123,963 | 154,523,203 | 150,647,311 |
| Technical College | 4,513,225 | 4,926,265 | 5,384,020 | 5,280,840 |
| Four-Year Colleges and Universities | 716,611,272 | 771,416,449 | 837,013,450 | 816,746,126 |
| University of Missouri - Related Programs | 41,544,918 | 49,037,597 | 65,170,847 | 49,575,237 |
| DEPARTMENTAL TOTAL | \$ 1,069,955,375 | \$ 1,175,060,315 * | \$ 1,293,702,016 | \$ 1,282,470,055 |
| General Revenue Fund | 871,081,458 | 936,476,532 | 1,056,589,435 | 1,044,223,292 |
| Federal Funds | 2,639,890 | 6,482,693 | 5,011,491 | 5,019,468 |
| Missouri Student Grant Program Gift Fund | 0 | 50,000 | 50,000 | 50,000 |
| Lottery Proceeds Fund | 85,323,643 | 86,156,977 | 86,156,977 | 86,156,977 |
| Spinal Cord Injury Fund | 400,000 | 400,000 | 400,000 | 400,000 |
| State Seminary Moneys Fund | 163,498 | 250,000 | 250,000 | 250,000 |
| Healthy Families Trust Fund - Health Care Account | 419,354 | 0 | 0 | 437,640 |
| GEAR UP Scholarship Fund | 356,393 | 700,000 | 700,000 | 700,000 |
| Proprietary School Bond Fund | 0 | 100,000 | 100,000 | 100,000 |
| Advantage Missouri Trust Fund | 0 | 0 | 0 | 630,830 |
| State Seminary Fund | 1,066,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| Guaranty Agency Operating Fund | 11,550,624 | 16,444,113 | 16,444,113 | 16,501,848 |
| Federal Student Loan Reserve Fund | 96,954,515 | 125,000,000 | 125,000,000 | 125,000,000 |
| Full-time equivalent employees | 59.68 | 75.67 | 75.67 | 75.67 |

* Does not include \$338,000 recommended in the Fiscal Year 2008 Supplemental Appropriations, including \$8,000 general revenue. See the Supplemental section of the Missouri Budget for details regarding the Department of Higher Education supplemental appropriations.

DEPARTMENT SUMMARY

Governor Blunt's Fiscal Year 2009 budget provides a total of \$1.3 billion for the Department of Higher Education. The department provides services for Missourians pursuing a postsecondary education. The core functions provided by the Department of Higher Education include:

- Supporting Missouri's two- and four-year institutions of higher education. Missouri's higher education institutions play a critical role in supplying the skilled workers that are necessary to stimulate economic growth in the state.
- Providing financial assistance to allow Missouri students access to higher education and to encourage the state's top academic achievers to attend Missouri higher education institutions.
- Planning for postsecondary education, evaluating institutional missions and performance, regulating proprietary institutions, and approving new degree programs offered by public colleges and universities.

DEPARTMENT OF HIGHER EDUCATION

HIGHER EDUCATION COORDINATION

This program includes the Commissioner of Higher Education, the general administrative staff, and the expenses of the Coordinating Board. Under direction of the Coordinating Board, the administrative staff reviews and coordinates the programs of approximately 58 public and private institutions of higher education. Staff also prepares the Coordinating Board's budget recommendations for public colleges and universities. Other program responsibilities include collecting and distributing student enrollment data and reviewing and approving proposed new degree programs at public institutions.

Fiscal Year 2009 Governor's Recommendations

- \$448,243 and three staff to improve coordination and administration of higher education in Missouri.
- \$18,991 for pay plan, including \$12,879 general revenue.
- (\$1,272) core reduction for mailroom consolidation from the Fiscal Year 2008 appropriation level.

PROPRIETARY SCHOOL REGULATION

Sections 173.600 through 173.619, RSMo, provide for the regulation of proprietary schools operating in the State of Missouri. There are approximately 159 proprietary schools in operation. The Coordinating Board is charged with the authority to issue, revoke, or suspend certificates of approval ensuring that proprietary schools meet minimum state standards, place schools on probation, require each school to file a security bond, and collect data from certified proprietary schools.

Fiscal Year 2009 Governor's Recommendations

- \$49,414 and one staff for regulation of proprietary schools.
- \$3,230 for pay plan.

MIDWEST HIGHER EDUCATION COMPACT

The Midwest Higher Education Compact is a consortium of states that work together on student exchange agreements, higher education research and policy development, and cost saving programs in which Missouri institutions may participate. Membership in the organization requires payment of annual dues. Missouri became a member state of the Midwest Higher Education Compact pursuant to the provisions of Sections 173.708 through 173.710, RSMo.

Fiscal Year 2009 Governor's Recommendations

- \$5,000 for increased Midwest Higher Education Compact membership dues.

FEDERAL EDUCATION PROGRAMS AND DONATIONS

The Improving Teacher Quality States Grant Program provides federal funds for the improvement of instruction in the core subject areas in grades K-12. The Department of Higher Education administers its portion of these funds through a competitive grant process. The funds are used to design and develop professional development projects addressing the needs of K-12 teachers in the targeted core academic subjects of mathematics and science.

In addition, department staff will continue to pursue federal grants, foundation resources, and private donations to support new programs.

Fiscal Year 2009 Governor's Recommendations

- \$1,865 federal funds for pay plan.

**DEPARTMENT OF HIGHER EDUCATION
STUDENT FINANCIAL AID**

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDS FY 2009 |
|--|------------------------|--------------------------|-----------------------------------|
| GRANTS AND SCHOLARSHIPS | | | |
| Administration | \$ 92,635 | \$ 108,505 | \$ 110,607 |
| Academic Scholarship Program | 16,359,000 | 16,359,000 | 16,359,000 |
| Access Missouri Financial Assistance Program | 0 | 0 | 95,630,830 |
| Charles E. Gallagher Grant Program | 34,367,042 | 31,491,187 | 0 |
| Missouri College Guarantee Program | 12,278,915 | 10,612,249 | 0 |
| Public Service Survivor Grant Program | 55,376 | 60,710 | 83,710 |
| Vietnam Veterans Survivors Scholarship Program | 13,958 | 50,000 | 50,000 |
| Marguerite Ross Barnett Scholarship Program | 425,000 | 425,000 | 425,000 |
| GEAR UP PROGRAM | 578,370 | 2,171,202 | 700,000 |
| MISSOURI STUDENT LOAN PROGRAM | 108,505,139 | 141,444,113 | 141,501,848 |
| TOTAL | \$ 172,675,435 | \$ 202,721,966 | \$ 254,860,995 |
| General Revenue Fund | 51,916,072 | 48,639,984 | 99,061,650 |
| Federal Funds | 814,498 | 2,471,202 | 1,000,000 |
| Other Funds | 119,944,865 | 151,610,780 | 154,799,345 |

ADMINISTRATION OF STATE GRANT AND SCHOLARSHIP PROGRAMS

Administration of state grant and scholarship programs includes determining an applicant's eligibility for a grant, determining the amount of individual grants, issuing payments, and monitoring school financial aid offices for compliance with program requirements. Approximately 25,212 grants and scholarships totaling nearly \$42.5 million annually are distributed by the department.

Fiscal Year 2009 Governor's Recommendations

- \$2,102 for pay plan.

ACADEMIC SCHOLARSHIP PROGRAM

The Academic Scholarship ("Bright Flight") Program provides \$2,000 scholarships for Missouri high school graduating seniors scoring in the top three percent of all Missouri students taking either the American College Test (ACT) or the Scholastic Aptitude Test (SAT) of the College Board. The students must use the scholarship to attend a Missouri college or university. The scholarships are renewable up to a total of ten semesters. An estimated 8,500 students will be awarded scholarships in Fiscal Year 2009.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

ACCESS MISSOURI FINANCIAL ASSISTANCE PROGRAM

The Access Missouri Financial Assistance Program provides need-based scholarships to eligible Missouri residents. Need is determined based on the student's expected family contribution with awards ranging from \$300 to \$1,000 for public two-year institutions, \$1,000 to \$2,150 for public four-year institutions and Linn State Technical College, and \$2,000 to \$4,600 for private institutions.

Fiscal Year 2009 Governor's Recommendations

- \$53,527,394 for additional scholarships, including \$52,896,564 general revenue.
- \$42,103,436 reallocated from the Charles E. Gallagher Grant Program and the Missouri College Guarantee Program, including \$31,636,769 general revenue.
- \$2,500,000 Lottery Proceeds Fund reallocated from Missouri Research and Education Network (MOREnet).
- (\$2,500,000) reallocated to Missouri Research and Education Network (MOREnet).

DEPARTMENT OF HIGHER EDUCATION

STUDENT FINANCIAL AID (Continued)

CHARLES E. GALLAGHER GRANT PROGRAM

The Charles E. Gallagher Student Financial Assistance (Missouri Student Grant) Program provides grants to eligible Missouri postsecondary students of up to a maximum of ten semesters based on the lesser of: (a) demonstrated financial need, (b) one-half the tuition and fees of the previous year, or (c) \$1,500.

Fiscal Year 2009 Governor's Recommendations

- (\$31,491,187) reallocated to the Access Missouri Scholarship Program, including (\$30,441,187) general revenue.

MISSOURI COLLEGE GUARANTEE PROGRAM

The Missouri College Guarantee Program provides scholarships based on financial need to students that meet specified academic standards. The program is designed to serve Missouri students most in need regardless of institutional choice.

Fiscal Year 2009 Governor's Recommendations

- (\$10,612,249) reallocated to the Access Missouri Scholarship Program, including (\$1,195,582) general revenue.

PUBLIC SERVICE SURVIVOR GRANT PROGRAM

The Public Service Survivor Grant Program provides educational benefits to the children and spouses of certain public employees killed or permanently and totally disabled in the line of duty. An eligible child, up to the age of 24, or an eligible spouse may receive a grant to enroll in a program leading to a certificate, associate degree, or baccalaureate degree at an approved public or private postsecondary institution. The grant may not exceed the amount paid in tuition by a full-time undergraduate Missouri resident at the University of Missouri.

Fiscal Year 2009 Governor's Recommendations

- \$23,000 to ensure that all qualified applicants to the Public Service Survivor Grant Program will receive grants.

VIETNAM VETERANS SURVIVORS SCHOLARSHIP PROGRAM

The Vietnam Veterans Survivors Scholarship Program provides educational benefits to the spouse or child of a veteran of the Vietnam War whose death was caused by exposure to toxic chemicals. The maximum award may not exceed the amount of tuition paid by a full-time undergraduate Missouri resident at the University of Missouri.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

MARGUERITE ROSS BARNETT SCHOLARSHIP PROGRAM

The Marguerite Ross Barnett Scholarship Program provides grants to part-time undergraduate students who are employed and compensated for at least 20 hours per week and who have financial need. The maximum award may not exceed the amount of tuition paid by a part-time undergraduate Missouri resident at the University of Missouri.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF HIGHER EDUCATION

STUDENT FINANCIAL AID (Continued)

GEAR UP PROGRAM

The Department of Higher Education was awarded a federal GEAR UP grant in 2000 to help improve the educational attainment of low-income, underrepresented Missouri students through early college preparation and awareness activities. Activities began when students were in middle school and continued to focus on those same students through their high school years. During 2007, fourteen Missouri high schools in five public school districts participated in the program, involving more than 3,300 twelfth grade students. Although the college preparation and outreach components of the grant have been completed, the grant also contained a financial assistance component. Consequently, eligible students that participated in program activities at these high schools are receiving GEAR UP scholarships based on high school performance and financial need.

Fiscal Year 2009 Governor's Recommendations

- (\$1,471,202) federal funds and (four) staff core reduction from the Fiscal Year 2008 appropriation level.
- (1.5) staff reallocated to the Missouri Student Loan Program.

MISSOURI STUDENT LOAN PROGRAM AND ADMINISTRATION

The Missouri Student Loan Program provides repayable loans to parents and students through commercial lending institutions. Since its inception in 1979, the program has guaranteed approximately 2.5 million loans totaling over \$8.7 billion. In Fiscal Year 2009, approximately 200 lending institutions will participate in loaning funds to students attending more than 160 eligible institutions. Nearly 190,000 loans totaling approximately \$1 billion annually are guaranteed by the department benefiting close to 100,000 Missouri students and their families. The Missouri Student Loan Program uses private contractors to aid in processing and servicing its loans. The loan program staff performs activities including outreach services to students, schools, and lenders; the administration of the Administrative Wage Garnishment and Automated Transfer of Money programs; general loan program administration; and functions necessary to oversee contractor services and ensure compliance with state and federal law.

Fiscal Year 2009 Governor's Recommendations

- \$61,046 Guaranty Agency Operating Fund for pay plan.
- (\$3,311) Guaranty Agency Operating Fund core reduction for mailroom consolidation from the Fiscal Year 2008 appropriation level.
- 1.5 staff reallocated from the GEAR UP Program.

DEPARTMENT OF HIGHER EDUCATION

AID TO PUBLIC COMMUNITY COLLEGES

The budget recommendations for Missouri public community colleges are based on the recommendations developed by the Coordinating Board. The 12 institutions (18 campuses) eligible to receive state aid are: Crowder College in Neosho, East Central College in Union, Jefferson College in Hillsboro, Metropolitan Community College – five campuses in the Kansas City area, Mineral Area College in Park Hills, Moberly Area Community College in Moberly, North Central Missouri College in Trenton, Ozarks Technical Community College in Springfield, St. Charles Community College in St. Peters, St. Louis Community College – three campuses in St. Louis City and County, State Fair Community College in Sedalia, and Three Rivers Community College in Poplar Bluff.

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDS FY 2009 |
|---|------------------------|--------------------------|-----------------------------------|
| Crowder College | \$ 0 | \$ 0 | \$ 4,982,449 |
| East Central College | 0 | 0 | 5,840,406 |
| Jefferson College | 0 | 0 | 8,565,046 |
| Metropolitan Community College | 0 | 0 | 35,286,453 |
| Mineral Area College | 0 | 0 | 5,635,173 |
| Moberly Area Community College | 0 | 0 | 5,657,247 |
| Moberly Area Community College Intergenerational Day Care | 24,250 | 0 | 0 |
| North Central Missouri College | 0 | 0 | 2,831,345 |
| Ozarks Technical Community College | 0 | 0 | 11,422,091 |
| St. Charles Community College | 0 | 0 | 8,772,988 |
| St. Louis Community College | 0 | 0 | 50,685,411 |
| State Fair Community College | 0 | 0 | 5,999,471 |
| Three Rivers Community College | 0 | 0 | 4,969,231 |
| State Aid to Community Colleges | 95,327,740 | 104,205,874 | 0 |
| Out-of-District Instruction | 1,140,706 | 1,175,986 | 0 |
| Workforce Preparation | 15,844,953 | 16,293,796 | 0 |
| Postsecondary Technical Education | 19,834,858 | 20,448,307 | 0 |
| TOTAL | \$ 132,172,507 | \$ 142,123,963 | \$ 150,647,311 |
| General Revenue Fund | 124,720,022 | 134,671,478 | 143,194,826 |
| Lottery Proceeds Fund | 7,452,485 | 7,452,485 | 7,452,485 |

Fiscal Year 2009 Governor's Recommendations

- \$6,253,454 for increased funding for public community colleges:
 - \$184,187 for Crowder College
 - \$213,791 for East Central College
 - \$313,690 for Jefferson College
 - \$1,303,221 for Metropolitan Community College
 - \$205,523 for Mineral Area College
 - \$264,741 for Moberly Area Community College
 - \$101,456 for North Central Missouri College
 - \$768,033 for Ozarks Technical Community College
 - \$584,453 for St. Charles Community College
 - \$1,873,916 for St. Louis Community College
 - \$217,911 for State Fair Community College
 - \$222,532 for Three Rivers Community College

DEPARTMENT OF HIGHER EDUCATION

AID TO PUBLIC COMMUNITY COLLEGES (Continued)

- \$2,269,894 for the Preparing to Care initiative:
 - \$48,720 for Crowder College
 - \$113,680 for East Central College
 - \$162,400 for Jefferson College
 - \$377,760 for Metropolitan Community College
 - \$129,920 for Mineral Area College
 - \$135,630 for Moberly Area Community College
 - \$113,680 for North Central Missouri College
 - \$162,400 for Ozarks Technical Community College
 - \$243,600 for St. Charles Community College
 - \$489,784 for St. Louis Community College
 - \$162,400 for State Fair Community College
 - \$129,920 for Three Rivers Community College
- \$142,123,963 reallocated to the individual community colleges from state aid, out-of-district instruction, workforce preparation, and postsecondary technical education, including \$134,671,478 general revenue.
- (\$104,205,874) reallocated from state aid to the individual community colleges, including (\$98,085,742) general revenue.
- (\$20,448,307) reallocated from postsecondary technical education to the individual community colleges.
- (\$16,293,796) reallocated from workforce preparation to the individual community colleges, including (\$14,961,443) general revenue.
- (\$1,175,986) reallocated from out-of-district instruction to the individual community colleges.

LINN STATE TECHNICAL COLLEGE

Senate Bill 101 (1995) established Linn State Technical College with a statewide mission to offer highly specialized and advanced technical education and training at the certificate and associate degree level.

Fiscal Year 2009 Governor's Recommendations

- \$310,355 for increased funding for Linn State Technical College.
- \$44,220 for the Preparing to Care initiative.

DEPARTMENT OF HIGHER EDUCATION

PUBLIC FOUR-YEAR INSTITUTIONS OF HIGHER EDUCATION

The budget recommendations for Missouri's ten public, four-year institutions of higher education are based on the recommendations developed by the Coordinating Board. Missouri's public, four-year institutions of higher education include: the University of Central Missouri at Warrensburg, Harris-Stowe State University at St. Louis, Lincoln University at Jefferson City, Missouri Southern State University at Joplin, Missouri Western State University at St. Joseph, Northwest Missouri State University at Maryville, Southeast Missouri State University at Cape Girardeau, Missouri State University at Springfield, Truman State University at Kirksville, and the University of Missouri system.

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDS FY 2009 |
|-------------------------------------|------------------------|--------------------------|-----------------------------------|
| University of Central Missouri | \$ 53,468,756 | \$ 57,271,668 | \$ 60,084,310 |
| Southeast Missouri State University | 43,519,786 | 46,640,471 | 49,072,635 |
| Missouri State University | 79,707,916 | 86,371,614 | 90,718,422 |
| Lincoln University | 16,668,335 | 17,956,828 | 20,050,733 |
| Lincoln University Land Grant Match | 0 | 900,000 | 0 |
| Truman State University | 40,459,738 | 43,341,180 | 45,394,214 |
| Northwest Missouri State University | 29,654,876 | 31,764,802 | 33,167,124 |
| Missouri Southern State University | 20,961,262 | 23,436,308 | 26,131,862 |
| Missouri Western State University | 20,622,519 | 22,358,627 | 23,898,623 |
| Harris-Stowe State University | 9,749,105 | 10,438,132 | 10,944,734 |
| Subtotal | 314,812,293 | 340,479,630 | 359,462,657 |
| University of Missouri | 401,798,979 | 430,936,819 | 457,283,469 |
| TOTAL | \$ 716,611,272 | \$ 771,416,449 | \$ 816,746,126 |
| General Revenue Fund | 650,243,975 | 705,049,152 | 750,378,829 |
| Lottery Proceeds Fund | 66,367,297 | 66,367,297 | 66,367,297 |

Fiscal Year 2009 Governor's Recommendations

- \$33,595,317 for increased funding at public four-year institutions:
 - \$2,405,410 for University of Central Missouri
 - \$2,005,540 for Southeast Missouri State University
 - \$3,627,608 for Missouri State University
 - \$923,985 for Lincoln University
 - \$1,820,330 for Truman State University
 - \$1,334,122 for Northwest Missouri State University
 - \$1,710,850 for Missouri Southern State University
 - \$1,229,724 for Missouri Western State University
 - \$438,402 for Harris-Stowe State University
 - \$18,099,346 for the University of Missouri
- \$11,134,360 for the Preparing to Care initiative:
 - \$407,232 for University of Central Missouri
 - \$426,624 for Southeast Missouri State University
 - \$719,200 for Missouri State University
 - \$269,920 for Lincoln University
 - \$232,704 for Truman State University
 - \$68,200 for Northwest Missouri State University
 - \$384,704 for Missouri Southern State University
 - \$310,272 for Missouri Western State University
 - \$68,200 for Harris-Stowe State University
 - \$8,247,304 for the University of Missouri
- \$600,000 for Missouri Southern State University for the Distance Dental Hygiene Program.
- \$900,000 reallocated to Lincoln University from Lincoln University Land Grant Match.
- (\$900,000) reallocated from Lincoln University Land Grant Match to Lincoln University.

**DEPARTMENT OF HIGHER EDUCATION
UNIVERSITY OF MISSOURI – RELATED PROGRAMS**

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDS FY 2009 |
|--|------------------------|--------------------------|-----------------------------------|
| Missouri Telehealth Network | \$ 419,354 | \$ 420,000 | \$ 857,640 |
| MOREnet | 9,946,973 | 12,754,612 | 12,754,612 |
| University Hospital and Clinics | 12,789,526 | 13,185,079 | 13,185,079 |
| Missouri Rehabilitation Center | 10,089,640 | 11,651,691 | 11,651,691 |
| Missouri Institute of Mental Health | 1,784,683 | 1,839,880 | 1,839,880 |
| Missouri Kidney Program | 3,896,270 | 4,016,774 | 4,016,774 |
| State Historical Society | 988,974 | 1,519,561 | 1,619,561 |
| Spinal Cord Injury Research | 400,000 | 400,000 | 400,000 |
| State Seminary Investments | 1,066,000 | 3,000,000 | 3,000,000 |
| State Seminary Income on Investments | 163,498 | 250,000 | 250,000 |
| TOTAL | \$ 41,544,918 | \$ 49,037,597 | \$ 49,575,237 |
| General Revenue Fund | 39,496,066 | 42,887,597 | 45,487,597 |
| Lottery Proceeds | 0 | 2,500,000 | 0 |
| Spinal Cord Injury Fund | 400,000 | 400,000 | 400,000 |
| State Seminary Moneys Fund | 163,498 | 250,000 | 250,000 |
| State Seminary Fund | 1,066,000 | 3,000,000 | 3,000,000 |
| Healthy Families Trust Fund - Health Care Account | 419,354 | 0 | 437,640 |

UNIVERSITY OF MISSOURI – RELATED PROGRAMS

The University of Missouri has administrative responsibility for a range of programs that are related to its institutional mission, but are not a part of the education and general operations: Missouri Telehealth Network, Missouri Research and Education Network (MOREnet), University Hospital and Clinics, Missouri Rehabilitation Center, Missouri Institute of Mental Health, Missouri Kidney Program, State Historical Society, Spinal Cord Injury Research Program, and investments and interest from State Seminary Fund and State Seminary Moneys Fund.

MISSOURI TELEHEALTH NETWORK

The Missouri Telehealth Network enhances access to care to people in underserved areas by providing the tools and training necessary for communities to develop and implement successful telehealth programs. The Missouri Telehealth Network has 144 sites in 43 Missouri counties and the City of St. Louis including Federally Qualified Health Centers (FQHCs), hospitals, community mental health clinics, a state habilitation center, an army hospital, two schools of medicine, and a school of nursing.

Fiscal Year 2009 Governor's Recommendations

- \$437,640 Healthy Families Trust Fund for continued operations of the University of Missouri – Columbia School of Medicine Telemedicine Program.

MISSOURI RESEARCH AND EDUCATION NETWORK (MOREnet)

MOREnet operates a shared network infrastructure for elementary and secondary education, higher education, public libraries, state government, and community information networks. This shared network infrastructure includes connections to the Internet and a statewide backbone with hubs to connect each site. MOREnet integrates voice, video, and data transmissions, as well as handles the ever-increasing demand for network capacity to conduct research.

Fiscal Year 2009 Governor's Recommendations

- \$2,500,000 reallocated from the Access Missouri Financial Assistance Program.
- (\$2,500,000) Lottery Proceeds Fund reallocated to the Access Missouri Financial Assistance Program.

DEPARTMENT OF HIGHER EDUCATION

UNIVERSITY OF MISSOURI – RELATED PROGRAMS (Continued)

UNIVERSITY HOSPITAL AND CLINICS

The University of Missouri-Columbia operates a teaching facility for medical, nursing, and other health care field students. In addition, the facility provides inpatient care, outpatient care, and specialized medical services to both area residents and persons referred from throughout the state. The hospital budget includes costs associated with providing patient care and maintenance of the facility. Instructional and research activity costs are included in the university's general operating budget. The university also operates the Ellis Fischel Cancer Center which provides comprehensive medical treatment, conducts clinical research, and offers education to both health professionals and Missourians at large.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

MISSOURI REHABILITATION CENTER

The Missouri Rehabilitation Center provides medical treatment for traumatic brain injury, comprehensive rehabilitation services, pulmonary/ventilator rehabilitation, tuberculosis treatment, terminal and acute care, and outpatient services.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

MISSOURI INSTITUTE OF MENTAL HEALTH

The Missouri Institute of Mental Health, operated by the School of Medicine of the University of Missouri at Columbia, is a mental health research and teaching institute that provides educational and staff support to the Department of Mental Health. The Institute researches the basic causes of mental illness and methods for improved patient care and operates training programs for mental health professionals.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

MISSOURI KIDNEY PROGRAM

The Missouri Kidney Program enables Missourians with end-stage renal disease to obtain treatment. The program contracts with federally approved dialysis centers and facilities and pays those costs of dialysis or kidney transplantation not paid by other sources such as Medicare, MO HealthNet, and private insurance. Patients' drugs, transportation expenses, and medical bills are paid by the program, along with the needed medical equipment and supply costs.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

STATE HISTORICAL SOCIETY

The State Historical Society of Missouri is directed by statute to collect, preserve, publish, and make accessible those materials that pertain to the history of Missouri and western America. The staff conducts research projects, publishes the quarterly Missouri Historical Review, and produces other publications.

Fiscal Year 2009 Governor's Recommendations

- \$100,000 for increased funding for the State Historical Society.

DEPARTMENT OF HIGHER EDUCATION

UNIVERSITY OF MISSOURI – RELATED PROGRAMS (Continued)

SPINAL CORD INJURY RESEARCH

The program funds research that will advance knowledge concerning spinal cord injuries and congenital or acquired disease processes. Research awards are made by an advisory board to researchers in public or private educational, health care, and research institutions and other voluntary health associations. Funds for this research come from fees assessed to individuals who are convicted of intoxication-related offenses, as well as surcharges from all criminal cases including violations of any county ordinance or any violation of criminal or traffic laws of this state.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

STATE SEMINARY FUND INVESTMENTS AND INTEREST ON INVESTMENTS

The State Seminary Fund consists of the proceeds of the sale of land donated to the state, proceeds from a direct tax received from the United States, the James S. Rollins Scholarship Fund, and others. Income from the State Seminary Moneys Fund is given to the University of Missouri as required by Article IX, Section 6 of the Missouri Constitution, and by Section 172.610, RSMo.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF REVENUE

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | FY 2009 REQUEST | GOVERNOR RECOMMENDS FY 2009 |
|--|------------------------|--------------------------|--------------------|-----------------------------------|
| Customer Services Division | \$ 22,387,709 | \$ 18,345,573 | \$ 30,581,379 | \$ 18,681,504 |
| Legal Services Division | 2,381,992 | 2,303,992 | 2,453,992 | 2,519,090 |
| Fiscal Services Division | 12,269,093 | 23,746,992 | 23,935,130 | 24,243,693 |
| Highway Collections | 23,863,632 | 25,645,077 | 25,769,301 | 26,241,775 |
| Facility Services | 97,846 | 0 | 0 | 0 |
| State Tax Commission | 2,788,140 | 2,969,578 | 3,027,578 | 3,055,885 |
| Distributions | 231,201,280 | 226,599,011 | 229,082,840 | 227,359,151 |
| State Lottery Commission | 146,005,169 | 138,931,514 | 140,401,014 | 140,615,436 |
| DEPARTMENTAL TOTAL | \$ 440,994,861 | \$ 438,541,737 * | \$ 455,251,234 | \$ 442,716,534 |
| General Revenue Fund | 87,807,232 | 88,418,233 | 103,577,584 | 90,574,186 |
| Federal Funds | 3,577,818 | 6,411,958 | 6,411,958 | 6,419,221 |
| Child Support Enforcement Collection Fund | 2,058,052 | 2,623,503 | 2,623,503 | 2,624,213 |
| Health Initiatives Fund | 49,773 | 57,267 | 57,468 | 58,904 |
| Division of Aging Elderly Home | | | | |
| Delivered Meals Trust Fund | 11,145 | 12,216 | 12,216 | 12,582 |
| Petroleum Storage Tank Insurance Fund | 36,955 | 26,881 | 26,881 | 27,654 |
| Motor Vehicle Commission Fund | 804,044 | 1,130,607 | 1,132,291 | 1,153,563 |
| Conservation Commission Fund | 516,636 | 541,350 | 541,400 | 557,113 |
| Department of Revenue Information Fund | 699,391 | 785,954 | 793,619 | 802,064 |
| State Highways and Transportation | | | | |
| Department Fund | 10,434,410 | 11,562,562 | 11,633,608 | 11,830,895 |
| Lottery Enterprise Fund | 146,103,015 | 138,931,514 | 140,401,014 | 140,615,436 |
| Petroleum Inspection Fund | 30,262 | 34,550 | 34,550 | 35,497 |
| Motor Fuel Tax Fund | 188,863,668 | 188,000,000 | 188,000,000 | 188,000,000 |
| Department of Revenue Specialty Plate Fund | 2,460 | 5,142 | 5,142 | 5,206 |
| Full-time equivalent employees | 1,532.71 | 1,628.96 | 1,582.96 | 1,582.96 |

* Does not include \$1,554,011 recommended in the Fiscal Year 2008 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the Department of Revenue supplemental appropriations.

DEPARTMENT SUMMARY

Governor Blunt's Fiscal Year 2009 provides a total of \$442.7 million for the Department of Revenue. The department serves as the primary revenue collection agency for the State of Missouri. It strives to ensure that all taxes and fees owed to the state are paid, taxpayers are served conscientiously and efficiently, and revenues are collected at minimal administrative expense. The core functions provided by the Department of Revenue include:

- Preparing tax forms.
- Processing tax forms, returns, associated payments, and refunds.
- Titling and registering motor vehicles, boats and trailers.
- Licensing drivers.
- Investigating instances of suspected tax or fee avoidance.

DEPARTMENT OF REVENUE

CUSTOMER SERVICES DIVISION

The Customer Services Division serves Missouri citizens by providing taxation, motor vehicle, and licensing services. The Taxation Bureau is responsible for administering and enforcing taxation and collection regulations. Its collection activities include account management, lien filing, third-party collection referrals, tax clearances, and debt offsets. The bureau has eight in-state field offices (St. Louis, Kansas City, Springfield, Jefferson City, Joplin, St. Joseph, Columbia, and Cape Girardeau) that handle taxpayer assistance inquiries. Tax auditors are stationed in these offices and four out-of-state offices (Chicago, Dallas, Los Angeles, and New York) to foster compliance with Missouri tax laws. The Motor Vehicle Bureau is responsible for administering and enforcing vehicle registration and titling regulations. It titles and registers motor vehicles and watercraft, licenses motor vehicle dealers and boat dealers, and collects state and local sales/use tax and other vehicle fees. The Driver License Bureau is responsible for administering and enforcing driver license regulations and financial responsibility programs. The Customer Assistance Bureau oversees 184 contract license offices that provide driver licensing and motor vehicle titling and registration services to Missourians.

Fiscal Year 2009 Governor's Recommendations

- \$448,431 for pay plan, including \$406,911 general revenue.
- (\$112,500) reallocated to the legal services division.
- (17) staff core reduction from the Fiscal Year 2008 appropriation level.

LEGAL SERVICES DIVISION

The General Counsel's Office advises the director on legal matters and represents the director in legal proceedings. The Governmental Affairs Bureau develops and tracks the department's legislation and estimates the fiscal impact of legislation that relates to the department. The Criminal Investigation Bureau investigates suspected tax, motor vehicle, dealer, and driver license fraud, and prepares cases for prosecution. Human Resource Services and Development is responsible for recruitment, training, employee relations' services, and payroll processing.

Fiscal Year 2009 Governor's Recommendations

- \$65,098 for pay plan, including \$51,817 general revenue.
- \$150,000 reallocated from various divisions.

FISCAL SERVICES DIVISION

The Director of Revenue's office supervises all operations of the department. The Financial and General Services Bureau provides accounting, procurement, cash management, stores, receiving, mail operations, warehousing, archival, delivery, motor pool, and facility services to the department. The Internal Compliance Bureau reviews and evaluates the department's accounting controls and appraises the effectiveness and efficiency of the use of department resources. Field Compliance Bureau auditors are stationed in eight in-state offices and four out-of-state offices (in the same locations as the Customer Services Division) to foster compliance with Missouri tax laws.

Fiscal Year 2009 Governor's Recommendations

- \$225,638 for costs due to increased postage rates, including \$216,038 general revenue.
- \$308,563 for pay plan, including \$303,034 general revenue.
- (\$37,500) reallocated to the legal services division.
- (Nine) staff core reduction from the Fiscal Year 2008 appropriation level.

DEPARTMENT OF REVENUE

HIGHWAY COLLECTIONS

Article IV, Sections 30(a), 30(b), and 30(c), Constitution of Missouri, requires that all revenues from the existing motor vehicle fuel tax, vehicle taxes and fees paid by highway users (less collection costs) be used only for state and local highways, roads and bridges, and for constructing and maintaining the state highway system. These collection costs are not to exceed three percent of the amount collected. The Department of Revenue is responsible for collecting and remitting these revenues to the State Highways and Transportation Department Fund. Highway Collections functions are distributed between the Customer Services Division and the Fiscal Services Division.

Fiscal Year 2009 Governor's Recommendations

- \$124,224 for costs due to increased postage rates, including \$53,178 general revenue.
- \$472,474 for pay plan, including \$278,528 general revenue.
- (20) staff core reduction from the Fiscal Year 2008 appropriation level.

STATE TAX COMMISSION

The State Tax Commission is a quasi-judicial administrative agency created by the Missouri Constitution to perform six basic functions. These functions are: to equalize inter- and intra-county assessments; conduct de novo judicial hearings regarding valuation and classification appeals from local boards of equalization; formulate and implement statewide assessment policy and procedures to comport with statutory and constitutional mandates; supervise local assessing officials and local assessment programs to ensure compliance with statewide requirements; conduct ratio studies to determine the assessment level in each county and to measure the quality of the assessments; and assess the distributable property of railroads and public utilities.

Fiscal Year 2009 Governor's Recommendations

- \$5,000 for a sales letter questionnaire pilot program.
- \$81,307 for pay plan.

**DEPARTMENT OF REVENUE
DISTRIBUTIONS**

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDS FY 2009 |
|--|------------------------|--------------------------|-----------------------------------|
| Prosecuting Attorneys and Collection Agencies | \$ 2,716,839 | \$ 2,580,000 | \$ 2,580,000 |
| County Filing Fees | 172,946 | 200,000 | 200,000 |
| State Share of Assessment Maintenance Costs | 18,499,131 | 19,020,668 | 19,275,408 |
| Certification Compensation | 75,561 | 77,112 | 77,112 |
| Motor Fuel Tax Distribution to Cities and Counties | 188,863,668 | 188,000,000 | 188,000,000 |
| Emblem Use Fee Distribution | 50 | 1,000 | 1,000 |
| County Stock Insurance Tax | 2,614,600 | 500,000 | 500,000 |
| Homestead Preservation Credit | 2,952,881 | 1,085,347 | 1,085,347 |
| Debt Offset For Tax Credits Transfer | 658,452 | 200,000 | 200,000 |
| Debt Offset Transfer | 12,229,127 | 11,292,384 | 11,292,384 |
| Circuit Courts Escrow Transfer | 827,655 | 505,500 | 505,500 |
| Income Tax Check-Off Refund Designations | 438,533 | 396,000 | 396,000 |
| General Revenue Reimbursement to State | | | |
| Highway and Transportation Fund | 1,151,837 | 0 | 0 |
| Downtown Revitalization Preservation Transfer | 0 | 0 | 100,000 |
| State Supplemental Downtown Development Transfer | 0 | 2,741,000 | 3,146,400 |
| TOTAL | \$ 231,201,280 | \$ 226,599,011 | \$ 227,359,151 |
| General Revenue Fund | 42,337,612 | 38,599,011 | 39,359,151 |
| Motor Fuel Tax Fund | 188,863,668 | 188,000,000 | 188,000,000 |

PROSECUTING ATTORNEYS AND COLLECTION AGENCY FEES

Section 136.150, RSMo, provides for payment of a collection fee of 20 percent of delinquent taxes, licenses, or fees recovered on behalf of the state by collection agencies or prosecuting attorneys. The collection fee is deposited in the county treasury with one-half of the fee for use by the attorney's office and one-half to be expended as the county determines. This incentive program provides additional resources to counties and a five-to-one benefit/cost ratio to the state.

Section 140.850, RSMo, authorizes the Department of Revenue to use commercial collection agencies to collect delinquent taxes owed by resident and non-resident taxpayers (individuals and businesses). The statutes permit payment of a collection fee not to exceed 25 percent of the amount collected.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

COUNTY FILING FEES

The Department of Revenue is authorized to file tax liens on property owned by taxpayers that are delinquent in income tax or sales/use tax. County recorders charge the Department of Revenue a fee of \$3.00 for the filing of each tax lien and a fee of \$1.50 for each release of a tax lien filed on property owned by taxpayers that are delinquent in income tax or sales/use tax.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

STATE SHARE OF ASSESSMENT MAINTENANCE COSTS

The state reimburses a portion of the costs and expenses for maintaining assessments by the county assessors and the St. Louis City assessor.

Fiscal Year 2009 Governor's Recommendations

- \$254,740 for the state share of assessment maintenance costs.

DEPARTMENT OF REVENUE

CERTIFICATION COMPENSATION

The state provides quarterly compensation to assessors, except those in first-class charter counties, who maintain an education certification with the State Tax Commission.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

MOTOR FUEL TAX DISTRIBUTION TO CITIES AND COUNTIES

Article IV, Section 30(a)(2), Constitution of Missouri, requires 15 percent of the net proceeds from the Motor Fuel Tax collections be allocated to the incorporated cities, towns, and villages of the state to assist in the maintenance of streets and highways.

Article IV, Section 30(a)(1), Constitution of Missouri, requires that 10 percent of the net proceeds from Motor Fuel Tax collections be distributed to the counties to assist in the maintenance of county roads, highways, and bridges. On August 4, 1992, voters approved Constitutional Amendment No. 8 to require that 15 percent of the net proceeds resulting from any increase in the Motor Fuel Tax rate over the rate in effect on March 31, 1992, be distributed to the counties to assist in the maintenance of county roads, highways, and bridges.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

EMBLEM USE FEE DISTRIBUTION

Pursuant to Section 301.3141, RSMo, a contribution to be used to apply for a specialty license plate may be made directly to the Department of Revenue. The Department of Revenue remits all contributions to the Veterans of Foreign Wars Department of Missouri.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

COUNTY STOCK INSURANCE

The Department of Revenue uses this appropriation to meet the apportionment requirements for the County Stock Insurance Tax required by Section 148.330, RSMo, while holding school districts and counties harmless to reductions from tax credits.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

HOMESTEAD PRESERVATION TAX CREDIT

Section 137.106, RSMo, the Homestead Preservation Act, enables qualified senior citizens and disabled persons to obtain a credit against their property taxes for an increase to their taxes that exceeds established thresholds. This appropriation provides funds to be distributed to county governments to offset property taxes of qualified applicants.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF REVENUE

DEBT OFFSET FOR TAX CREDITS

SB 1099 (2004) requires that tax credit applicants must apply any award to any delinquent income, sales, use, or insurance taxes. After applying all credits toward any delinquencies, the applicant can be issued any remaining credits. The Department of Revenue uses this appropriation to hold harmless local tax jurisdictions for local sales tax delinquencies.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

DEBT OFFSET TRANSFER

Chapter 143, RSMo, provides a mechanism to offset debts owed to the state against tax refunds payable to the debtor. The Department of Revenue transfers to the Office of State Treasurer the amount of the debt certified to be owed to a state agency in an amount not exceeding the tax refund claimed. Any amount in excess of the debt is forwarded to the taxpayer. Upon settlement of the claim through the established administrative hearings process, the escrow funds are returned to the state agency and/or the payee.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

CIRCUIT COURTS ESCROW TRANSFER

Section 143.784, RSMo, provides a mechanism to offset debts owed to the state against tax refunds payable to the debtor. The Department of Revenue transfers to the Circuit Courts any amounts certified to be owed to the state, in an amount not exceeding the tax refund claimed. Upon settlement of the claim, the escrow funds are returned to the state agency.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

INCOME TAX CHECK-OFF REFUND DESIGNATIONS

State statutes permit individuals and corporations to contribute a portion of any income tax refund that they are owed to seven separate state trust funds or nine separate charitable trust funds. The seven state trust funds include the Children's Trust Fund (Section 210.174, RSMo); the Division of Aging Elderly Home Delivered Meals Trust Fund (Section 660.078, RSMo); the Veterans' Trust Fund (Section 42.140, RSMo); the Missouri National Guard Trust Fund (Section 41.215, RSMo); the Workers Memorial Fund (Section 143.1025, RSMo); the Childhood Lead Testing Fund (Section 143.603, RSMo); and the Missouri Military Family Relief Fund (Section 143.822, RSMo). The nine charitable funds (Section 143.605, RSMo) include the American Cancer Society, Heartland Division, Inc. Fund; the ALS Lou Gehrig's Disease Fund; the American Lung Association of Missouri Fund; the Muscular Dystrophy Association Fund; the Arthritis Foundation Fund; the American Diabetes Association Gateway Area Fund; the American Heart Association Fund; the March of Dimes Fund; and the National Multiple Sclerosis Society Fund. The amounts designated by taxpayers for distribution to the seven trust funds are transferred from the General Revenue Fund.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

DOWNTOWN REVITALIZATION PRESERVATION TRANSFER

Section 99.1092, RSMo, requires the department to annually transfer the first \$150,000,000 of other net new revenues generated annually by redevelopment projects to the State Supplemental Downtown Development Fund.

Fiscal Year 2009 Governor's Recommendations

- \$100,000 transferred to the Downtown Revitalization Preservation Fund.

DEPARTMENT OF REVENUE

STATE SUPPLEMENTAL DOWNTOWN DEVELOPMENT TRANSFER

Section 99.963, RSMo, requires the department to annually transfer the first \$150,000,000 of other net new revenues generated by development projects to the State Supplemental Downtown Development Fund.

Fiscal Year 2009 Governor's Recommendations

- \$405,400 transferred to the State Supplemental Downtown Development Fund.

STATE LOTTERY COMMISSION

The Missouri State Lottery was established by voter approval of Constitutional Amendment No. 5 on November 6, 1984. On August 2, 1988, voters approved Constitutional Amendment No. 3 to revise the lottery prize structure and certain promotional restrictions.

Fiscal Year 2009 Governor's Recommendations

- \$1,469,500 Lottery Enterprise Fund for costs related to increased sales.
- \$214,422 Lottery Enterprise Fund for pay plan.

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDS FY 2009 |
|-------------------------|------------------------|--------------------------|-----------------------------------|
| Operating Expense | | | |
| Personal Service | \$ 6,671,848 | \$ 7,147,512 | \$ 7,361,934 |
| Expense and Equipment | 30,427,058 | 29,784,002 | 31,253,502 |
| Prizes | <u>108,906,263</u> | <u>102,000,000</u> | <u>102,000,000</u> |
| TOTAL | | | |
| Lottery Enterprise Fund | \$ 146,005,169 | \$ 138,931,514 | \$ 140,615,436 |

LOTTERY ENTERPRISE FUND TRANSFER

Section 39(b) of Article III of the Missouri Constitution provides that a minimum of 45 percent of moneys received from the sale of lottery tickets shall be paid as prizes. On August 4, 1992, voters approved Constitutional Amendment No. 11 to dedicate net lottery proceeds to fund public institutions of elementary, secondary, and higher education.

Fiscal Year 2009 Governor's Recommendations

- \$23,850,000 Lottery Enterprise Fund to Lottery Proceeds Fund.

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDS FY 2009 |
|-------------------------|------------------------|--------------------------|-----------------------------------|
| Lottery Enterprise Fund | \$ 259,737,970 | \$ 236,150,000 | \$ 260,000,000 |

DEPARTMENT OF TRANSPORTATION

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | FY 2009 REQUEST | GOVERNOR RECOMMENDS FY 2009 |
|---|-------------------------|--------------------------|-------------------------|-----------------------------------|
| Highway Administration | \$ 25,587,747 | \$ 28,404,157 | \$ 27,131,480 | \$ 27,785,754 |
| Fringe Benefits | 142,150,404 | 150,675,516 | 156,224,820 | 156,224,820 |
| Fleet, Facilities & Information Systems | 99,724,197 | 103,815,605 | 105,629,899 | 106,125,820 |
| System Management | 359,963,834 | 359,225,787 | 394,412,897 | 399,082,360 |
| Highway Construction | 1,649,288,336 | 1,527,456,441 | 1,699,523,325 | 1,702,238,882 |
| Multimodal Operations and Programs | 70,677,300 | 63,946,245 | 90,871,540 | 67,181,298 |
| DEPARTMENTAL TOTAL | \$ 2,347,391,818 | \$ 2,233,523,751 | \$ 2,473,793,961 | \$ 2,458,638,934 |
| General Revenue Fund | 11,668,541 | 12,559,321 | 37,707,716 | 14,093,194 |
| Federal Funds | 83,547,114 | 59,729,150 | 73,934,970 | 73,961,070 |
| Motorcycle Safety Trust Fund | 372,603 | 400,000 | 425,000 | 425,000 |
| Grade Crossing Safety Account | 1,086,937 | 1,500,000 | 1,500,000 | 1,500,000 |
| State Road Bond Fund | 59,273,795 | 81,029,000 | 118,743,000 | 118,743,000 |
| State Road Fund | 2,183,083,517 | 2,068,514,558 | 2,231,333,806 | 2,239,735,479 |
| Railroad Expense Fund | 578,731 | 802,143 | 835,163 | 848,171 |
| State Transportation Fund | 2,638,873 | 2,685,044 | 2,691,455 | 2,696,111 |
| Light Rail Safety Fund | 0 | 1 | 1 | 1 |
| State Transportation Assistance | | | | |
| Revolving Fund | 250,000 | 550,000 | 550,000 | 550,000 |
| Aviation Trust Fund | 4,891,707 | 5,754,534 | 6,072,850 | 6,086,908 |
| Full-time equivalent employees | 6,991.12 | 7,005.95 | 6,945.00 | 6,947.00 |

DEPARTMENT SUMMARY

Governor Blunt's Fiscal Year 2009 budget provides a total of \$2.5 billion for the Department of Transportation. The department is responsible for overseeing all aspects of Missouri's transportation system. The core functions of the Department of Transportation include:

- Constructing and maintaining the state road and bridge system – a key component of state safety and economic development efforts.
- Encouraging safety on Missouri highways for citizens and Department of Transportation employees.
- Providing capital improvement and operating assistance grants for rural and urban transit systems, public airports, ferry boats, and passenger rail service.
- Registering commercial motor vehicles.

DEPARTMENT OF TRANSPORTATION

HIGHWAY ADMINISTRATION

This area supports the operations of the Highways and Transportation Commission, as well as the centralized functions of the department such as auditing, accounting, risk management, financial planning, governmental relations, community relations, and human resource management.

Fiscal Year 2009 Governor's Recommendations

- \$654,274 State Road Fund for pay plan.
- (\$1,272,677) other funds core reduction from the Fiscal Year 2008 appropriation level.

FRINGE BENEFITS

This represents the cost of providing medical and life insurance, retirement benefits, and workers' compensation for all Department of Transportation employees that are members of the Highway Employees and Highway Patrol Retirement System.

Fiscal Year 2009 Governor's Recommendations

- \$9,865,577 federal and other funds for increased fringe benefit costs.
- (\$4,316,273) federal and other funds core reduction from the Fiscal Year 2008 appropriation level.

FLEET, FACILITIES & INFORMATION SYSTEMS

This program area supports the General Services and Information Systems divisions. The General Services Division provides fleet and facilities management, procurement, and other services to the department. The Information Systems Division delivers information technology solutions, services, and support through a planned approach consistent with the department's mission, values, and tangible results.

Fiscal Year 2009 Governor's Recommendations

- \$1,814,294 State Road Fund for increased expense and equipment costs.
- \$495,921 State Road Fund for pay plan.

SYSTEM MANAGEMENT

This program area supports the cost of maintaining the state road system, public rest areas, and weigh stations. Examples include: road and shoulder repair, bridge repair and painting, snow and ice removal, traffic signal and sign maintenance, pavement marking, and right-of-way mowing.

Fiscal Year 2009 Governor's Recommendations

- \$22,062,180 federal and other funds for increased expense and equipment costs.
- \$11,946,000 federal funds for the Highway Safety Grant Program.
- \$885,000 federal funds for the Motor Carrier Safety Assistance Program.
- \$500,000 State Road Fund for the Safe Routes to School Program.
- \$102,614 State Road Fund for the Motorist Assistance Program.
- \$4,587,551 for pay plan, including \$1,961 general revenue.
- \$81,912 and two staff transferred from the Department of Health and Senior Services for the Blood Alcohol Content Program.
- (\$308,684) State Road Fund and (60.95) staff core reduction from the Fiscal Year 2008 appropriation level.

HIGHWAY CONSTRUCTION

This program area supports the state road construction program and such activities as land acquisition, contracting for road and bridge construction, monitoring of construction programs, and transportation enhancement activities.

Fiscal Year 2009 Governor's Recommendations

- \$483,274,921 State Road Fund for increased expense and equipment costs.
- \$75,096,000 State Road Fund – Series 2008 to utilize bond proceeds for road and bridge projects.
- \$37,714,000 State Road Bond Fund for debt service on outstanding road bonds.
- \$2,715,557 State Road Fund for pay plan.
- (\$424,018,037) other funds core reduction from the Fiscal Year 2008 appropriation level.

**DEPARTMENT OF TRANSPORTATION
MULTIMODAL OPERATIONS AND PROGRAMS**

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDS FY 2009 |
|---|------------------------|--------------------------|-----------------------------------|
| Multimodal Operations | \$ 6,419,750 | \$ 7,552,509 | \$ 7,877,662 |
| Transit Programs | | | |
| Capital Assistance for Transportation of Elderly and Disabled Citizens | 1,915,853 | 2,175,000 | 2,440,000 |
| New Freedom Transit Program | 0 | 600,000 | 600,000 |
| State Aid for Transportation of Elderly, Disabled, and Low-Income Citizens | 2,873,420 | 2,943,732 | 3,943,732 |
| Small Urbanized Transit Assistance | 0 | 1 | 1 |
| Small Urban and Rural Transportation Program | 11,151,376 | 8,130,000 | 9,000,000 |
| Job Access and Reverse Commute Transit Grants | 402,656 | 1,200,000 | 1,200,000 |
| Public Transit Capital Grants | 8,703,053 | 8,480,000 | 8,480,000 |
| Transit Planning Grants | 5,095,791 | 5,830,000 | 6,004,900 |
| Railroad Programs | | | |
| Local Rail Freight Assistance Program | 0 | 1 | 1 |
| State Passenger Rail Assistance and Station Improvements | 6,625,000 | 7,425,000 | 8,025,000 |
| Rail Equipment | 0 | 1 | 1 |
| Light Rail Safety | 0 | 1 | 1 |
| Railroad Grade Crossing Safety | 1,086,937 | 1,500,000 | 1,500,000 |
| Aviation Programs | | | |
| State Aid to Airports/Federal Aviation Assistance | 25,803,464 | 17,500,000 | 17,500,000 |
| Waterways Programs | | | |
| State Aid to Port Authorities | 600,000 | 610,000 | 610,000 |
| TOTAL | \$ 70,677,300 | \$ 63,946,245 | \$ 67,181,298 |
| General Revenue Fund | 11,668,541 | 12,559,321 | 14,009,321 |
| Federal Funds | 49,400,264 | 39,910,373 | 41,242,989 |
| Grade Crossing Safety Account | 1,086,937 | 1,500,000 | 1,500,000 |
| State Road Fund | 487,367 | 537,028 | 657,743 |
| Other Funds | 8,034,191 | 9,439,523 | 9,771,245 |

DEPARTMENT OF TRANSPORTATION

MULTIMODAL OPERATIONS AND PROGRAMS (Continued)

MULTIMODAL OPERATIONS

This program area supports non-highway programs, including aviation, transit, rail, and waterways. The transit section provides financial and technical assistance to public transit and specialized transit providers across the state. This function is carried out through the administration of state and federal programs related to general public transportation, as well as specific transit programs for agencies serving senior citizens and/or persons with disabilities.

The rail section is responsible for regulating and improving freight rail services, passenger rail service, rail safety outreach, light rail safety oversight, rail/highway construction, and railroad/highway grade crossing safety. The rail division also prepares and implements a state rail plan and administers federal funds to increase safety at railroad crossings.

The aviation section oversees state and federal funding programs for airport maintenance and capital improvement projects. This section is also responsible for airport safety inspections, maintaining the state airport systems plan, and working with local governments to secure federal aviation funding.

The waterways section assists cities and counties in forming port authorities that foster local economic growth. This section also provides technical assistance and capital and administrative funding to assist with port operations.

Fiscal Year 2009 Governor's Recommendations

- \$410,000 other funds to purchase a replacement general utility aircraft.
- \$7,000 federal funds for aviation projects.
- \$58,153 federal and other funds for pay plan.
- (\$150,000) core reduction of one-time expenditures.

CAPITAL ASSISTANCE FOR TRANSPORTATION OF ELDERLY AND DISABLED CITIZENS

The transit section administers the federal Section 5310 program that provides assistance to local not-for-profit transportation providers and public entities serving the elderly and people with disabilities. These entities use the federal funds to match local funds for purchasing vehicles.

Fiscal Year 2009 Governor's Recommendations

- \$265,000 federal funds for Capital Improvement Grants for Elderly and Handicapped Transportation.

NEW FREEDOM TRANSIT PROGRAM

Federal funds available through the Section 5317 program assist transit agencies and non-profit organizations in providing mobility services beyond those services required in the Americans with Disabilities Act (ADA). These federal funds can be used to offset up to 50 percent of operating losses and up to 80 percent of planning and capital expenses.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

STATE AID FOR TRANSPORTATION OF ELDERLY, DISABLED, AND LOW-INCOME CITIZENS

The Missouri Elderly and Handicapped Transportation Assistance Program provides operating assistance for not-for-profit transportation providers serving elderly and disabled Missourians. State funds are used to match local, private, and federal funds available to these providers.

Fiscal Year 2009 Governor's Recommendations

- \$1,000,000 for operating assistance to not-for-profit transit providers.

DEPARTMENT OF TRANSPORTATION

MULTIMODAL OPERATIONS AND PROGRAMS (Continued)

SMALL URBANIZED TRANSIT ASSISTANCE

The federal Section 5307 program provides operating and capital assistance to public transportation systems in cities with populations between 50,000 and 200,000. These federal funds can be used to fund up to 50 percent of transit operating expenses and up to 80 percent of capital costs such as transit vehicle and equipment purchases.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

SMALL URBAN AND RURAL TRANSPORTATION PROGRAM

Federal funds authorized under Section 5311 are used to assist small urban and rural areas with a population less than 50,000. These federal grants can be used to fund up to 50 percent of transit operating expenses, and up to 80 percent of administrative, planning and capital expenses such as vehicle and equipment purchases.

Fiscal Year 2009 Governor's Recommendations

- \$870,000 federal funds for Small Urban and Rural Transportation Grants.

JOB ACCESS AND REVERSE COMMUTE TRANSIT GRANTS

Federal funds available through the Section 5316 program assist transit agencies in providing additional services to address work-related transportation needs. These federal funds can be used to offset up to 50 percent of operating losses and up to 80 percent of planning and capital expenses.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

PUBLIC TRANSIT CAPITAL GRANTS

The federal Section 5309 program provides financial assistance to rural and urban transit operators. These funds can be used to purchase buses and bus-related facilities and equipment.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

TRANSIT PLANNING GRANTS

Federal funds support metropolitan transportation planning activities in seven areas: St. Louis, Kansas City, Springfield, Columbia, St. Joseph, Joplin, and Jefferson City. This program provides demographic forecasting, corridor studies, transit service analysis, route and schedule evaluation, financial capacity analysis, special needs investigations, as well as traffic and transit management studies in those areas.

Fiscal Year 2009 Governor's Recommendations

- \$174,900 federal funds for financial assistance to metropolitan planning organizations.

DEPARTMENT OF TRANSPORTATION

MULTIMODAL OPERATIONS AND PROGRAMS (Continued)

LOCAL RAIL FREIGHT ASSISTANCE PROGRAM

This program distributes federal financial assistance for rail facility acquisition, rehabilitation, improvement, or construction. Program activities are contingent upon the availability of federal funding through Section 5 of the Department of Transportation Act.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

STATE PASSENGER RAIL ASSISTANCE AND STATION IMPROVEMENTS

Through the state Passenger Rail Assistance Program, Missourians are able to enjoy the benefits of rail service between Kansas City and St. Louis, with stops at various cities along the route. The state pays for the direct costs of running the twice-daily train route and provides small amounts of funding for station improvements to cities that own train stations.

Fiscal Year 2009 Governor's Recommendations

- \$600,000 to continue twice-daily passenger rail service across the state.

RAIL EQUIPMENT

As the federal government considers a nationwide system of high-speed rail transportation, federal funds may become available to states. Missouri participates as needed in the planning process for a future Midwest Rail High-Speed Network.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

LIGHT RAIL SAFETY

This program provides staff to oversee safety issues and investigate accidents involving the light rail system and to work with communities exploring the possibilities of implementing a light rail system. The light rail operator bears the cost of this program by reimbursing the state for its services.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

RAILROAD GRADE CROSSING SAFETY

This program provides state and federal funding to complete projects improving the safety of railroad grade crossings. The state funds come from a fee assessed on each motor vehicle at the time of motor vehicle licensing.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF TRANSPORTATION

MULTIMODAL OPERATIONS AND PROGRAMS (Continued)

STATE AID TO AIRPORTS/FEDERAL AVIATION ASSISTANCE

This program uses state and federal funds for airport capital improvements; maintenance of runways, taxiways, and aprons; and for emergency repairs on safety-related items. The state portion of these projects is funded from the Aviation Trust Fund, which receives the use tax collected on aviation fuel.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

STATE AID TO PORT AUTHORITIES

This program provides a limited amount of funding to local port authorities for administration, planning and development activities. The active port authorities in Missouri are the Howard/Cooper County Regional Port Authority; Jefferson County Port Authority; Pemiscot County Port Authority; Southeast Missouri Regional Port Authority; Mississippi County Port Authority; New Madrid County Port Authority; New Bourbon Port Authority; St. Joseph Regional Port Authority; Lewis County-Canton Missouri Port Authority; Marion County Port Authority; Mid-America Port Commission; and the Ports of Kansas City, St. Louis, and St. Louis County.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

OFFICE OF ADMINISTRATION

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | FY 2009 REQUEST | GOVERNOR RECOMMENDS FY 2009 |
|---|------------------------|--------------------------|-----------------------|-----------------------------------|
| Commissioner's Office | \$ 1,107,857 | \$ 1,388,698 | \$ 1,492,502 | \$ 1,530,869 |
| Division of Accounting | 2,053,694 | 2,399,032 | 2,385,149 | 2,451,713 |
| Division of Budget and Planning | 1,614,149 | 1,821,317 | 1,709,818 | 1,757,990 |
| Division of Information Services | 124,323,452 | 156,197,630 | 157,999,768 | 185,259,459 |
| Division of Personnel | 2,300,293 | 2,499,504 | 2,502,004 | 2,624,177 |
| Division of Purchasing and Materials Management | 3,922,497 | 4,204,890 | 4,206,890 | 4,279,843 |
| Division of Facilities Management, Design and Construction | 0 | 25,000 | 25,000 | 25,000 |
| Division of General Services | 13,561,243 | 8,995,205 | 10,997,205 | 9,019,792 |
| Assigned Programs | 5,243,926 | 6,374,984 | 6,374,984 | 6,444,083 |
| Debt and Related Obligations | 87,869,861 | 95,404,863 | 94,975,564 | 94,975,564 |
| Administrative Disbursements | 45,339,333 | 7,745,006 | 7,345,005 | 7,345,005 |
| TOTAL | \$ 287,336,305 | \$ 287,056,129 | \$ 290,013,889 | \$ 315,713,495 |
| General Revenue Fund | 188,554,486 | 174,967,305 | 177,221,895 | 181,511,024 |
| Federal Funds | 60,412,291 | 74,978,156 | 75,621,438 | 73,998,044 |
| Other Funds | 38,369,528 | 37,110,668 | 37,170,556 | 60,204,427 |
| Full-time equivalent employees | 1,681.08 | 2,114.46 | 2,087.96 | 2,088.96 |

DEPARTMENT SUMMARY

Governor Blunt's Fiscal Year 2009 budget provides a total of \$315.7 million for the Office of Administration. The Office of Administration provides services for all state agencies and serves as the state's administrative office. The core functions provided by the Office of Administration include:

- Administering budget and accounting activities for the state.
- Administering the human resources system.
- Coordinating data processing and telecommunications for state agencies.
- Providing and maintaining office and other space for governmental operations.
- Procuring supplies, equipment, and services for state agencies.
- Managing the state transportation fleet.

OFFICE OF ADMINISTRATION

COMMISSIONER'S OFFICE

The Commissioner directs the one agency that provides central services and support to all other agencies of state government. These services include accounting, budget and planning, information technology services, asset management, personnel, purchasing and materials management, and general services.

Fiscal Year 2009 Governor's Recommendations

- \$38,367 for pay plan.
- \$60,000 reallocated from the Division of Budget and Planning.
- \$51,804 reallocated from the Information Technology Services Division.
- (\$8,000) reallocated to various divisions.

DIVISION OF ACCOUNTING

The Division of Accounting maintains all financial records for state appropriations and funds, processes payments, controls production of warrants, and distributes checks. The division also issues warrants to the State Treasurer for expenditures; maintains computerized accounting, payroll, and check writing systems; and administers the Social Security Act for the state and political subdivisions. The division also provides financial data to executive and legislative officials.

Fiscal Year 2009 Governor's Recommendations

- \$66,564 for pay plan.
- (\$13,883) and (.5) staff core reduction from the Fiscal Year 2008 appropriation level.

DIVISION OF BUDGET AND PLANNING

The Division of Budget and Planning analyzes state government programs and provides recommendations and information to the Governor, General Assembly, and state agencies regarding fiscal and other policies. The division prepares the budget instructions, reviews agency budget requests, prepares the annual executive budget, analyzes economic and demographic conditions, forecasts state revenues, and conducts technical policy and program analysis. To assist in state government management, the division controls appropriation allotments, manages the automated state budget system, prepares legislative fiscal notes, analyzes and develops policy options, and reviews federal issues and their impact on Missouri. The division prepares population estimates and projections required by state and local agencies and is Missouri's liaison to the United States Bureau of the Census.

Fiscal Year 2009 Governor's Recommendations

- \$48,172 for pay plan.
- (\$60,000) reallocated to the Commissioner's Office.
- (\$49,999) Office of Administration - Federal and Other Fund core reduction from the Fiscal Year 2008 appropriation level.
- (\$1,500) core reduction for one-time expenditures.

INFORMATION TECHNOLOGY SERVICES DIVISION

The Information Technology Services Division provides mainframe computer processing services to all state agencies through the consolidated State Data Center. The state's telecommunication services are managed by the division, and those services are provided to state agencies. The division also provides Internet services, information technology education services, and network support to all state agencies. Under Governor Blunt's direction, management of state information technology resources was consolidated under the Office of Administration.

OFFICE OF ADMINISTRATION

INFORMATION TECHNOLOGY SERVICES DIVISION (Continued)

In Fiscal Year 2007, the scope of IT Consolidation was expanded to transfer information technology (IT) budgets from agencies to the Information Technology Services Division. IT budgets from the Departments of Agriculture; Corrections; Economic Development; Elementary and Secondary Education; Health and Senior Services; Board of Higher Education; Insurance, Financial Institutions and Professional Registration; Labor and Industrial Relations; Revenue; and Social Services were consolidated into the Information Technology Services Division.

Fiscal Year 2009 Governor's Recommendations

- \$10,454,180 Inmate Revolving Fund for the Department of Corrections' offender information management system.
- \$5,000,000 Workers' Compensation Fund for the Department of Labor and Industrial Relations, Division of Workers' Compensation computer system.
- \$4,822,003 Department of Revenue Information Fund to replace outdated Department of Revenue motor vehicle and driver's license computer systems with one integrated system.
- \$2,473,848 Inmate Revolving Fund for the Department of Corrections, Probation and Parole mobile ability.
- \$1,946,317 for Microsoft Office enterprise agreements.
- \$1,835,151 for next generation network equipment upgrades.
- \$1,182,000 for hardware and software maintenance agreements.
- \$500,000 for an e-mail retention system.
- \$299,963 and one staff for the Department of Health and Senior Services, Community and Public Health vision exams.
- \$212,520 for the Department of Health and Senior Services, Family Care Safety Registry technology upgrade.
- \$111,731 for the Department of Agriculture for laptops and software.
- \$94,000 for the Department of Public Safety, Alcohol and Tobacco Control for agent laptops and an optical scanner.
- \$1,748,838 for pay plan, including \$890,800 general revenue.
- \$28,969 transferred from various departments, including \$23,556 general revenue.
- (\$1,203,425) federal and other funds reallocated among various OA divisions.
- (\$279,000) federal funds and (20) staff core reduction from the Fiscal Year 2008 appropriation level.
- (\$53,880) core reduction for one-time expenditures.
- (\$51,804) reallocated to the Commissioner's Office.
- (\$48,612) reallocated to the Division of Personnel.
- (\$10,970) transferred to Real Estate for leased space.

DIVISION OF PERSONNEL

The Division of Personnel provides central human resource management programs and services to all executive branch departments in compliance with the State Personnel Law and the principles of sound human resource management. Responsibilities include operation of the Missouri Merit System, position classification and compensation management, supervisory and management training, coordination of labor relations, and providing management expertise and other services to assist agencies.

The Personnel Advisory Board sets rules and regulations for the Merit System, approves classifications and pay plans, conducts appeal hearings for applicants and employees, and advises the Division of Personnel and the Governor on human resource administration.

Fiscal Year 2009 Governor's Recommendations

- \$73,561 for pay plan.
- \$48,612 reallocated from the Information Technology Services Division.
- \$4,000 reallocated from the Commissioner's Office.
- (\$1,500) core reduction for one-time expenditures.

OFFICE OF ADMINISTRATION

DIVISION OF PURCHASING AND MATERIALS MANAGEMENT

The Division of Purchasing and Materials Management centralizes procurement to save money by purchasing supplies, materials, and services in larger quantities and encourages competitive bidding and awards on all contracts. All of state government is served except the University of Missouri, Lincoln University, Truman State University, Missouri Department of Transportation, Judiciary, Lottery, and the General Assembly. It encourages the participation of suppliers, including small disadvantaged businesses, in the competitive bid process and ensures compliance with Chapter 34, RSMo. The division also coordinates recycling collection efforts of state agencies and administers the Recycling Products Preference Program. The materials management section recycles property among agencies and sells surplus state equipment through negotiated, sealed bids, and auction sales. Surplus property sales receipts are used to pay the expenses of surplus property sales with the remaining receipts distributed to the appropriate state funds from which the equipment was purchased. This section also administers the Federal Surplus Property Program that distributes donated new and used federal surplus property to eligible entities which include all state agencies, political subdivisions, not-for-profit health and education entities, and service agencies that meet the federal program guidelines.

Fiscal Year 2009 Governor's Recommendations

- \$72,953 for pay plan, including \$48,585 general revenue.
- \$2,000 reallocated from the Commissioner's Office.

DIVISION OF FACILITIES MANAGEMENT, DESIGN AND CONSTRUCTION

The Division of Facilities Management, Design and Construction provides professional asset management services to assist state entities in meeting their facility needs for the benefit of the public. These services include: Real Estate Services, Portfolio Management, Facility Management, Project Management, Construction Management, Contract Management, Facility Condition Assessment, Space Management, Space Standards, Statewide Master Plan, and Energy Management. The mission is to provide a superior workplace environment for state occupants and their visitors, and protect the State's investments in property assets. The goal is to provide agencies with the information and resources that will support their development of high-performance workplaces—workplaces that will meet agencies' business needs and can be readily adapted to changing work practices and strategies. While appropriation authority for the division will appear in the Office of Administration appropriation bill, the funds for purposes of the Executive Budget appear in the Statewide Real Estate appropriations bill.

Fiscal Year 2009 Governor's Recommendations

- Six staff transferred from the Department of Corrections for additional institutional consolidation.
- (Nine) staff core reduction from the Fiscal Year 2008 appropriation level.

DIVISION OF GENERAL SERVICES

The Division of General Services provides agencies with a variety of support services including printing, fleet management, administration of the Legal Expense Fund and the state employee Workers' Compensation Program, vehicle maintenance, mail services, and administration of the Missouri State Employees Charitable Campaign. The Division of General Services provides staff to administer the Missouri Public Entity Risk Management Fund, a liability and property insurance pool for Missouri public entities. In December 2005 the Commissioner of Administration established an interagency committee to evaluate options for improving the efficiency of state agency mail services. This committee, composed of representatives from all executive agencies, worked together over several months and recommended the internal consolidation of mail services using a phased-in approach. All Executive branch agencies except MoDOT, Conservation, Revenue, and Social Services will consolidate into the Office of Administration in Phase I during Fiscal Year 2008. Revenue and Social Services will be added in Phase II, once the initial consolidation has been fully established and is functioning efficiently.

Fiscal Year 2009 Governor's Recommendations

- \$26,307 for pay plan.
- \$2,000 reallocated from the Commissioner's Office.
- (\$3,720) core reduction from mail savings in the Office of Administration.

OFFICE OF ADMINISTRATION

ASSIGNED PROGRAMS

ADMINISTRATIVE HEARING COMMISSION

The Administrative Hearing Commission conducts evidentiary hearings and makes findings of fact and conclusions of law relating to contested cases between private parties and state agencies. The commission's jurisdiction includes, among other things, appeals involving professional licensing matters, tax decisions by the Director of Revenue, MO HealthNet provider certifications and claims, assessments by the Missouri Ethics Commission, and certain actions by the Highways and Transportation Commission relating to railroads and motor carriers.

Fiscal Year 2009 Governor's Recommendations

- \$25,468 for pay plan.

OFFICE OF CHILD ADVOCATE

Pursuant to HB 1453 (2004), the Office of the Child Advocate operates as an independent agency under the Office of the Governor within the Office of Administration. The ombudsman provides families and citizens with an avenue through which they can obtain an independent and impartial review of the decisions and/or actions made by the Department of Social Services Children's Division.

There are three main duties of the advocate's office: 1) provide education to Missouri citizens regarding the child welfare process, including investigation, case management, and the court system; 2) receive and investigate complaints from citizens regarding the child welfare system; and 3) make recommendations on improving the system.

Fiscal Year 2009 Governor's Recommendations

- \$6,276 for pay plan, including \$4,205 general revenue.

CHILDREN'S TRUST FUND

The Children's Trust Fund and Children's Trust Fund Board were established to facilitate and fund the development of community-based prevention programs to strengthen families, prevent child abuse and neglect, and to provide public education about the problem of child abuse and its prevention. Activities of the Children's Trust Fund are divided into two broad areas: public education and program development, and funding. Each includes an array of programs to meet the goals of the board.

Fiscal Year 2009 Governor's Recommendations

- \$6,150 Children's Trust Fund for pay plan.

GOVERNOR'S COUNCIL ON DISABILITY

The Governor's Council on Disability promotes full participation of the nearly one million Missourians with disabilities in all aspects of community life by educating employers, employees, local and state governments, persons with disabilities, and other interested parties of their rights and responsibilities under the Americans with Disabilities Act, Missouri Human Rights Act, and other disability rights laws.

Fiscal Year 2009 Governor's Recommendations

- \$5,118 for pay plan.

MISSOURI PUBLIC ENTITY RISK MANAGEMENT PROGRAM

The Missouri Public Entity Risk Management Program (MOPERM) was established in 1987 to provide a shared risk pool for local governmental agencies to have affordable insurance coverage. MOPERM provides entities with both liability and property coverage. The Office of Administration provides staff for this program, but is reimbursed for all expenses incurred on behalf of MOPERM.

Fiscal Year 2009 Governor's Recommendations

- (Two) staff core reduction from the Fiscal Year 2008 appropriation level.

OFFICE OF ADMINISTRATION

ASSIGNED PROGRAMS (Continued)

MISSOURI ETHICS COMMISSION

The Missouri Ethics Commission is charged with successfully fulfilling the duties and responsibilities described in Chapters 105 and 130, RSMo. These duties and responsibilities include, but are not limited to, the administration of the following: campaign finance disclosure, report review and audit, lobbyist registration, lobbyist report review and audit, personal financial disclosure statement, opinion writing in response to formal requests, investigation of conflict of interest allegations, audit and investigation of complaints, and investigation of alleged code of conduct violations.

Fiscal Year 2009 Governor's Recommendations

- \$26,087 for pay plan.
- (One) staff core reduction from the Fiscal Year 2008 appropriation level.

DEBT AND RELATED OBLIGATIONS

BOARD OF PUBLIC BUILDINGS DEBT SERVICE

This appropriation is for payment of principal, interest, and reserve requirements on outstanding bonds.

Fiscal Year 2009 Governor's Recommendations

- (\$438,494) core reduction from the Fiscal Year 2008 appropriation level.

LEASE/PURCHASE DEBT SERVICE

This appropriation is for the payment of principal and interest on outstanding financings.

Fiscal Year 2009 Governor's Recommendations

- \$2,250 for an increase in debt service payment.

MISSOURI HEALTH AND EDUCATIONAL FACILITIES AUTHORITY DEBT SERVICE

The Missouri Health and Educational Facilities Authority (MoHEFA) has issued \$39,999,569 in Series A 1989 Missouri College Savings Bonds to fund building projects at the University of Missouri. In November 2001, \$35 million in bonds were issued for the University of Missouri-Columbia Arena Project.

Fiscal Year 2009 Governor's Recommendations

- \$6,945 for an increase in debt service payment for the bonds issued for the University of Missouri-Columbia Arena Project.

DEBT MANAGEMENT

This appropriation is for professional assistance with managing the state's \$2.8 billion outstanding debt so that the Office of Administration can monitor the debt and act quickly to take advantage of savings opportunities.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

OFFICE OF ADMINISTRATION

DEBT AND RELATED OBLIGATIONS (Continued)

NEW JOBS TRAINING CERTIFICATES

Sections 178.892 to 178.896, RSMo, established the New Jobs Training Program. Businesses establishing new jobs in the state can enter into an agreement with a community college district to provide training for new employees. The training is funded from the proceeds of new jobs training certificates issued by community college districts. The debt service on the certificates is payable from the employees' Missouri income tax withholding credits. If the business would sharply decrease or eliminate its operations, funds may not be available to meet debt service costs.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

CONVENTION AND SPORTS COMPLEX PROJECTS

SB 295 (1989) authorized annual appropriations of state matching funds for convention and sports complex capital projects in certain cities and counties. Ongoing projects include: Jackson County Sports Complex Stadium, \$3,000,000; Bartle Hall, \$2,000,000; and Edward Jones Dome, \$12,000,000.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

BOARD OF UNEMPLOYMENT FUND FINANCING

HB 1268 (2004) established the Board of Unemployment Fund Financing and authorized them to sell up to \$450 million of credit instruments or enter into financial agreements to provide funds for payments of employment benefits to maintain an adequate fund balance in the Employment Compensation Fund.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

ADMINISTRATIVE DISBURSEMENTS

Acting as the central financial agency for the state, the Office of Administration makes numerous disbursements each year.

CASH MANAGEMENT IMPROVEMENT ACT

The federal Cash Management Improvement Act of 1990 and 1992 requires that the state pay interest on certain federal grant monies while deposited in the State Treasury. Interest is calculated and paid at the daily equivalent of the annualized 13-week average Treasury Bill Rate.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

AUDIT RECOVERY DISTRIBUTION

This is a mechanism to allow the distribution of a percentage of monies recovered by the state to the audit firm that recovers the money.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

OFFICE OF ADMINISTRATION

ADMINISTRATIVE DISBURSEMENTS (Continued)

COUNTY SHERIFF REIMBURSEMENTS

This appropriation would have been used for payments to county sheriffs for reimbursement of expenses incurred to process applications for concealed carry endorsements or renewals in excess of the maximum fee permitted by law, pursuant to Section 50.535, RSMo.

Fiscal Year 2009 Governor's Recommendations

- (\$1) core reduction of placeholder for County Sheriff Reimbursement appropriation.

BUDGET RESERVE INTEREST

In the event that the General Revenue Fund borrows money from the Budget Reserve Fund or other funds, general revenue must repay the loan with interest. This mechanism will allow that to happen.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

TRANSFER TO BUDGET RESERVE FUND

Article IV, Section 27(a), requires a transfer from either general revenue or the Budget Reserve Fund, depending on the balance left in the Budget Reserve Fund at the close of a fiscal year.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

OTHER FUND CORRECTIONS

A transfer section is needed as a mechanism by which corrections can be made when money is erroneously deposited into the wrong fund.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

FLOOD CONTROL LANDS GRANT

The Flood Control Lands Grant is a "pass-through" of funds that represents 75 percent of the monies from leases of the land owned by the United States under the Flood Control Act. Sections 12.080 and 12.090, RSMo, prescribe that the funds be used for the benefit of public schools and public roads of the county in which the government land is situated. These funds may also be used for any expenses of the county government, including public obligations of levee and drainage districts for flood control and drainage improvements.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

OFFICE OF ADMINISTRATION

ADMINISTRATIVE DISBURSEMENTS (Continued)

NATIONAL FOREST RESERVE GRANT

The National Forest Reserve Grant is a “pass-through” of funds received from the federal government. Sections 12.070 and 12.090, RSMo, provide for 25 percent of all the money received by the National Forest Reserve by the state to be expended for the benefit of public schools and public roads of the county in which the forest reserve is located. Of the total received, 75 percent will be spent for public schools and 25 percent for public roads.

Fiscal Year 2009 Governor’s Recommendations

Continue funding at the current level.

CLARENCE CANNON PAYMENT

A contract with the U.S. Army Corps of Engineers, developed with the concurrence of the executive and legislative branches, requires that the state pay a share of the cost of water supply storage in Mark Twain Lake on the Salt River in northeastern Missouri. The contract results from a request by the state for the corps to build water supply storage into the Clarence Cannon Dam project to meet water needs of that part of Missouri, which has been chronically short of potable water.

Fiscal Year 2009 Governor’s Recommendations

- (\$550,000) transfer to the Department of Natural Resources.

COUNTY PROSECUTION REIMBURSEMENTS

The state may provide reimbursement to counties for expenses incurred in the prosecution of crimes within correctional institutions and expenses of trials of capital cases in limited circumstances.

Fiscal Year 2009 Governor’s Recommendations

Continue funding at the current level.

REGIONAL PLANNING COMMISSIONS

State financial aid enables local governments, through regional planning commissions, to initiate programs and services identified as important by member governments. State funds are matched by local funds.

Fiscal Year 2009 Governor’s Recommendations

Continue funding at the current level.

ELECTED OFFICIALS TRANSITION

The state provides operating costs for the transition into office of newly elected officials, including the Governor, Lieutenant Governor, Secretary of State, Auditor, Treasurer, and Attorney General.

Fiscal Year 2009 Governor’s Recommendations

- \$150,000 for transition expenses for newly elected officials.

FRINGE BENEFITS

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | FY 2009 REQUEST | GOVERNOR RECOMMENDS FY 2009 |
|---|------------------------|--------------------------|--------------------|-----------------------------------|
| OASDHI Taxes | \$ 147,162,200 | \$ 160,981,795 | \$ 160,336,311 | \$ 166,362,788 |
| Missouri State Employees' Retirement System | 234,559,368 | 265,487,908 | 264,323,916 | 270,264,483 |
| Teacher Retirement Contributions | 2,499,808 | 3,540,560 | 3,540,560 | 3,540,560 |
| Deferred Compensation | 11,105,962 | 11,996,571 | 11,914,559 | 11,916,359 |
| Unemployment Benefits | 4,086,562 | 4,038,458 | 4,017,364 | 4,017,996 |
| Missouri Consolidated Health Care Plan | 360,603,852 | 349,456,848 | 410,388,436 | 389,998,427 |
| Workers' Compensation | 21,974,701 | 21,638,780 | 21,536,684 | 21,782,151 |
| Other Employer Disbursements | 2,976,058 | 862,002 | 862,002 | 862,002 |
| TOTAL | \$ 784,968,511 | \$ 818,002,922 | \$ 876,919,832 | \$ 868,744,766 |
| General Revenue Fund | 506,122,241 | 511,060,457 | 548,301,279 | 546,980,426 |
| Federal Funds | 143,621,317 | 158,710,521 | 172,238,307 | 165,529,733 |
| Other Funds | 135,224,953 | 148,231,944 | 156,380,246 | 156,234,607 |

FRINGE BENEFITS

CONTRIBUTION TO OASDHI TAXES

The State of Missouri pays the employer's share of federal Old Age and Survivors Disability and Health Insurance contributions on the salaries of all state employees, with the exception of employees of the state universities and four-year colleges. These funds are transferred to a contribution fund for matching payments to the Social Security Administration.

Fiscal Year 2009 Governor's Recommendations

- \$5,051,896 for increased costs to the state for social security benefits due to pay plan, including \$2,774,492 general revenue.
- \$1,761,618 for new staff statewide, including \$1,422,103 general revenue.
- \$301,102 for costs associated with retention and recruitment pay increases, including \$296,957 general revenue.
- \$46,198 for costs associated with repositioning, including \$22,946 general revenue.
- \$26,506 for increased costs to the state for social security benefits due to increases recommended by the Missouri Citizens' Commission on Compensation for Elected Officials.
- \$19,822 State Facility Maintenance and Operation Fund for benefits associated with staff transferred from the Department of Corrections to the Office of Administration, Facilities Management, Design and Construction.
- (\$1,180,665) core reduction from the Fiscal Year 2008 appropriation level, including (\$123,168) general revenue.
- (\$645,484) transferred to various departments for contractual services.

CONTRIBUTION TO MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM

The State of Missouri provides an employer funded retirement program for employees through a contribution of a specified percentage of members' wages to the Missouri State Employees' Retirement System. Included in the state's contribution is a payment per month, per eligible employee to the Missouri State Employees' Benefit Plan and a payment of long-term disability premiums.

Fiscal Year 2009 Governor's Recommendations

- \$7,318,461 for increased costs to the state for retirement benefits due to pay plan, including \$4,732,963 general revenue.
- \$2,819,640 for new staff statewide, including \$2,506,807 general revenue.
- \$530,765 for costs associated with retention and recruitment efforts, including \$523,458 general revenue.
- \$81,437 for costs associated with repositioning, including \$40,448 general revenue.
- \$46,724 for increased costs to the state for retirement benefits due to increases recommended by the Missouri Citizens' Commission on Compensation for Elected Officials.
- \$35,758 State Facility Maintenance and Operation Fund for benefits associated with staff transferred from the Department of Corrections to the Office of Administration, Facilities Management, Design and Construction.
- (\$4,892,218) core reduction from the Fiscal Year 2008 appropriation level, including (\$3,028,120) general revenue.
- (\$1,163,992) transferred to various departments for contractual services.

TEACHER RETIREMENT CONTRIBUTIONS

Section 104.342, RSMo, provides that the Commissioner of Administration shall requisition monthly and certify the payment of contributions to the Public School Retirement System (PSRS). Authority to transfer and expend these monies is required to comply with statutory provisions. Certified teachers involved are employed by the Department of Elementary and Secondary Education, Department of Mental Health, Department of Social Services, Department of Corrections, and remain members of the PSRS.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

FRINGE BENEFITS

DEFERRED COMPENSATION PROGRAM

The Missouri State Public Employees Deferred Compensation Commission was created by Sections 105.900 to 105.927, RSMo, to encourage employees to supplement the Missouri State Employees' Retirement Plan and their Social Security. Participation in the Deferred Compensation Plan doubled after the \$25 per month match was legislated in 1996.

Fiscal Year 2009 Governor's Recommendations

- \$1,800 State Facility Maintenance and Operation Fund for increased costs to the state for deferred compensation benefits due to pay plan for staff transferred from the Department of Corrections to the Office of Administration, Facilities Management, Design and Construction.
- (\$82,012) transferred to various departments for contractual services.

DISBURSEMENT FOR UNEMPLOYMENT BENEFITS

The State of Missouri, as a governmental entity, is required to pay contributions to the Division of Employment Security as specified by law so that unemployment claims may be paid to former employees. A governmental entity may elect to either pay contributions in advance based on a statutory formula or to reimburse the Division of Employment Security for actual claims paid out to former employees. The State of Missouri utilizes the reimbursement for actual claims paid option. By using this deferred method of payment and one central appropriation, the state simplifies the administration of unemployment benefits.

Fiscal Year 2009 Governor's Recommendations

- \$632 State Facility Maintenance and Operation Fund for increased costs to the state for unemployment benefits due to pay plan for staff transferred from the Department of Corrections to the Office of Administration, Facilities Management, Design and Construction.
- (\$21,094) transferred to various departments for contractual services.

MISSOURI CONSOLIDATED HEALTH CARE PLAN

The Missouri Consolidated Health Care Plan administers health care benefits for state employees. In 1995, municipalities and other public entities were allowed to join the Missouri Consolidated Health Care Plan as well, building a larger pool of members and greater bargaining power for lower cost medical services.

Fiscal Year 2009 Governor's Recommendations

- \$25,777,343 for other post employment benefits, including \$17,013,046 general revenue.
- \$17,758,786 for increased costs to the state for medical benefits due to pay plan, including \$11,494,853 general revenue.
- \$5,021,020 for new staff statewide, including \$4,746,907 general revenue.
- \$39,600 State Facility Maintenance and Operation Fund for benefits associated with staff transferred from the Department of Corrections to the Office of Administration, Facilities Management, Design and Construction.
- (\$5,898,118) core reduction from the Fiscal Year 2008 appropriation level, including (\$2,650,690) general revenue.
- (\$2,157,052) transferred to various departments for contractual services.

FRINGE BENEFITS

WORKERS' COMPENSATION

The State of Missouri is responsible for payment of Workers' Compensation benefits to injured state employees in accordance with Chapter 287, RSMo. The payment of Workers' Compensation benefits for all state employees, excluding the Department of Transportation, the Missouri State Highway Patrol, and the University of Missouri system, is covered under this program and is administered by the Office of Administration's Division of General Services. Payments made by general revenue on behalf of employees paid from other funding sources are transferred from these funds back to general revenue. As a Workers' Compensation self-insurer, the state pays its Workers' Compensation tax and Second Injury Fund assessments based on billings received from the Department of Insurance, Financial Institutions and Professional Registration and the Division of Workers' Compensation.

Fiscal Year 2009 Governor's Recommendations

- \$245,467 for new staff statewide.
- (\$102,096) transferred to various departments for contractual services.

OTHER EMPLOYER DISBURSEMENTS

VOLUNTARY LIFE INSURANCE

State employees may opt to withhold funds for voluntary life insurance. This appropriation provides expenditure authority to distribute the monies withheld to the various life insurance companies as designated by the employees.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

CAFETERIA PLAN TRANSFER

The state offers a tax reduction plan for state employees. The federal government requires the state to provide a sufficient balance in the medical expenses category for timely reimbursements to plan participants.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

HUMAN RESOURCES CONTINGENCY FUND TRANSFER

This transfer section has been added to ensure that payroll checks submitted for payment against accounts with temporary allotment or fund cash flow problems can be generated within the time constraints of pay period processing.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF AGRICULTURE

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | FY 2009 REQUEST | GOVERNOR RECOMMENDS FY 2009 |
|--|------------------------|--------------------------|--------------------|-----------------------------------|
| Office of the Director | \$ 21,837,375 | \$ 44,486,042 | \$ 80,762,135 | \$ 60,679,404 |
| Facility Services | 324,060 | 0 | 0 | 0 |
| Agriculture Business Development | 3,205,084 | 4,873,075 | 5,142,387 | 5,409,396 |
| Division of Animal Health | 3,865,743 | 5,015,035 | 5,480,874 | 5,573,438 |
| Division of Grain Inspection and Warehousing | 2,038,017 | 2,836,871 | 2,861,071 | 2,853,296 |
| Division of Plant Industries | 2,888,142 | 3,421,385 | 3,041,769 | 3,073,075 |
| Division of Weights and Measures | 3,182,979 | 3,742,924 | 3,901,226 | 3,807,991 |
| Missouri State Fair | 4,131,873 | 4,944,734 | 8,044,734 | 4,999,539 |
| State Milk Board | 1,207,405 | 1,592,237 | 1,592,237 | 1,604,663 |
| DEPARTMENTAL TOTAL | \$ 42,680,678 | \$ 70,912,303 * | \$ 110,826,433 | \$ 88,000,802 |
| General Revenue Fund | 26,835,405 | 51,609,757 | 91,258,334 | 68,976,364 |
| Federal Funds | 4,941,471 | 4,522,577 | 4,605,974 | 4,614,629 |
| State Fair Fees Fund | 3,934,929 | 4,427,236 | 4,383,686 | 4,421,958 |
| Milk Inspection Fees Fund | 1,091,140 | 1,482,578 | 1,473,857 | 1,483,114 |
| Grain Inspection Fees Fund | 1,213,563 | 1,924,395 | 1,927,921 | 1,921,544 |
| Petroleum Inspection Fund | 1,978,344 | 2,210,868 | 2,263,299 | 2,285,902 |
| Petroleum Violation Escrow Fund | 420,711 | 585,600 | 585,600 | 0 |
| Marketing Development Fund | 1,101,891 | 877,398 | 403,725 | 405,277 |
| Other Funds | 1,163,224 | 3,271,894 | 3,924,037 | 3,892,014 |
| Full-time equivalent employees | 346.46 | 401.80 | 404.30 | 401.80 |

* Does not include \$2,140,886 recommended in the Fiscal Year 2008 Supplemental Appropriations, including \$2,037,104 general revenue. See the Supplemental section of the Missouri Budget for details regarding the Department of Agriculture supplemental appropriations.

DEPARTMENT SUMMARY

Governor Blunt's Fiscal Year 2009 budget provides a total of \$88.0 million for the Department of Agriculture. The department provides services for Missouri's farmers, ranchers, and agricultural processors. The core functions provided by the Department of Agriculture include:

- Promote Missouri agriculture, both at home and abroad.
- Assist start-up value-added agriculture businesses.
- Protect Missouri's livestock and domestic animals, and the businesses and citizens who rely on them.
- Inspect Missouri's fresh fruits, vegetables, milk, feed, seed, and forest products.
- Regulate, control, and inspect measuring devices and petroleum products.

DEPARTMENT OF AGRICULTURE

OFFICE OF THE DIRECTOR

The Office of the Director makes policy decisions on agricultural issues, sets the department's goals and priorities, and coordinates activities of the various divisions to achieve those goals. The Office of the Director includes administrative functions such as fiscal services, human resources, and public information. The Director's Office also administers the Ethanol Producer Incentive Program and the Biodiesel Producer Incentive Program.

Fiscal Year 2009 Governor's Recommendations

- \$15,000,000 for incentives for biodiesel plants.
- \$1,210,600 for incentives for ethanol plants.
- \$335,248 federal and other funds for vehicle replacements.
- \$547,808 and one staff to fund and administer large animal veterinary student loan repayments.
- \$30,602 for pay plan, including \$24,253 general revenue.
- (\$930,896) core reduction for one-time expenditures, including (\$14,083) general revenue.

DIVISION OF AGRICULTURE BUSINESS DEVELOPMENT

The Agriculture Business Development Division (ABD) increases the profitability of Missouri's farmers and agribusinesses by increasing international and domestic sales of agricultural products that are produced or processed in Missouri. The division provides six specific services: (1) business counseling, (2) domestic marketing assistance, (3) international marketing assistance, (4) industry facilitation, (5) product promotion, and (6) financial programs. The first five of these services are administered through the Business Services Program of ABD. Financial programs are administered through the Missouri Agriculture and Small Business Development Authority (MASBDA), which is governed by an independent board. MASBDA administers loans, loan guarantees, grants, and tax credits aimed at increasing the profitability of Missouri's farmers.

ABD also administers the AgriMissouri branding initiative which promotes products that are produced or processed in Missouri through a variety of marketing channels, including retail, restaurants, schools, institutions, and direct-to-consumer marketing. Over 250 Missouri businesses are members of AgriMissouri. Members of the Commission on the Marketing of Missouri Agricultural Products serve as advisors to the department's AgriMissouri marketing efforts.

Fiscal Year 2009 Governor's Recommendations

- \$200,000 for dairy parlor renovation grants.
- \$171,000 to enhance and expand current efforts to foster a quality "brand" identity for Missouri beef.
- \$80,000 for dairy early planning grants.
- \$50,000 to foster mentoring links between experienced farmers and beginning farmers.
- \$10,642 and .25 staff to expand livestock market reporting services.
- \$2 to affirm and expand current authority to guarantee certain agricultural loans against default.
- \$45,663 for pay plan, including \$31,234 general revenue.
- (\$19,654) Agriculture Development Fund and (.5) staff core reduction from the Fiscal Year 2008 appropriation level.
- (\$1,332) core reduction for one-time expenditures.

DIVISION OF ANIMAL HEALTH

The Division of Animal Health implements programs to protect Missouri's livestock, poultry, and other domestic animals from dangerous, infectious, or contagious diseases. These responsibilities include the enforcement of animal health regulations as required under Section 267.230. Through control and elimination of diseases and diseased animals, the division enables Missouri's livestock and poultry to remain eligible for interstate and international export marketing. Diagnostic laboratories are maintained in Jefferson City and Springfield, and additional professional services are contracted through the University of Missouri-Columbia College of Veterinary Medicine. The division also works closely with USDA-Veterinary Services and receives significant federal funding as a result of this relationship.

The division's Meat and Poultry Inspection Program works with producers to promote, protect, and develop the agricultural interests of Missouri processed meat products. This program helps livestock and poultry producers add value to their operations and capture additional profits from their meat products. To ensure the health and well-being of companion animals sold in Missouri, the division also licenses and inspects animal shelters, dog pounds, boarding kennels, commercial kennels, contract kennels, and pet shops.

DEPARTMENT OF AGRICULTURE

DIVISION OF ANIMAL HEALTH (Continued)

Fiscal Year 2009 Governor's Recommendations

- \$161,036 and two staff to support the State Meat Inspection Program, including \$80,518 general revenue.
- \$150,000 Animal Health Laboratory Fees Fund and four staff to enhance animal health laboratory services.
- \$142,803 and 2.5 staff to support current animal disease monitoring and control efforts.
- \$50,000 to support current efforts to combat Johnes's disease.
- \$50,000 Missouri Pet Spay/Neuter Fund to support local efforts to spay and neuter dogs and cats.
- \$81,288 for pay plan, including \$52,356 general revenue.
- (\$38,724) Animal Health Laboratory Fees Fund and (4.25) staff core reduction from the Fiscal Year 2008 appropriation level.
- (\$38,000) core reduction for one-time expenditures, including (\$19,000) general revenue.

DIVISION OF GRAIN INSPECTION AND WAREHOUSING

The Division of Grain Inspection and Warehousing operates four programs to assist Missouri grain farmers and agribusinesses. The Grain Regulatory Services Program enforces the Grain Warehouse Law, Chapter 411, RSMo, and the Grain Dealers Law, Section 276.401-276.581, RSMo, to ensure grain producers that license grain warehouses and grain dealers are reputable businesses in sound financial condition.

The Grain Inspection Services Program performs official inspection and weighing of grain upon request to assist both grain farmers and grain businesses in the marketing of Missouri's corn, soybean, wheat, and other grain crops. All costs are paid from fees charged for services performed.

The division also administers the state's Certified Agricultural Mediation Program, which mediates disputes between Missouri farmers and USDA agencies, and the Commodity Merchandising Program, which provides centralized administration for the collection and distribution of fees for nine commodity check-off programs.

Fiscal Year 2009 Governor's Recommendations

- \$66,425 for pay plan, including \$20,119 general revenue.
- (\$50,000) Grain Inspection Fees Fund and (two) staff core reduction from the Fiscal Year 2008 appropriation level.

DIVISION OF PLANT INDUSTRIES

The Division of Plant Industries operates six programs and two laboratories serving Missouri agriculture. The Feed and Seed Program performs sampling and laboratory analyses of planting seed and commercial feeds to ensure that they meet requirements for accurate labeling. Inspections are also conducted to ensure good manufacturing practices are followed and that prohibited mammalian protein is not formulated into feed rations to help prevent the dissemination of BSE (Mad Cow Disease).

The Pesticide Control Program promotes the safe use of pesticides by licensing private and commercial applications, conducting field inspections, conducting investigations of pesticide misuse, and ensuring the proper registration of pesticides. The Plant Pest Control Program conducts inspections of nurseries, greenhouses, and other plant products to prevent the introduction and dissemination of insect, disease, and noxious weed pests that could be detrimental to plants and crops. Phytosanitary certification inspections are also conducted for plant materials being exported to other states and countries.

The Integrated Pest Management Program (IPM) promotes effective alternative strategies to traditional pest control through the use of biological control agents, pest resistant varieties, and adoption of improved cultural practices. The IPM Program also administers the Boll Weevil Eradication Program. The Forest Resources and Weed Control Program inspects treated wood products to ensure that minimum preservation standards are met and assists county weed control boards in the control and eradication of Johnson grass, a noxious weed. The Fresh Fruit and Vegetable Inspection Program performs shipping point and terminal market inspections of fresh produce to facilitate the sale of Missouri grown produce and ensure the quality of produce sold to consumers.

Fiscal Year 2009 Governor's Recommendations

- \$78,000 to replace laboratory equipment and supplies.
- \$33,600 federal funds to pass through federal plant export certification fees.
- \$29,484 and .5 staff to support current plant pathology efforts.
- \$60,790 for pay plan, including \$46,884 general revenue.
- (\$515,000) core reduction for one-time expenditures.
- (\$29,484) federal funds and (.5) staff core reduction from the Fiscal Year 2008 appropriation level.
- (\$5,700) transferred to the Office of Administration for the statewide consolidation of information technology services.

DEPARTMENT OF AGRICULTURE

DIVISION OF WEIGHTS AND MEASURES

The Division of Weights and Measures operates four regulatory programs and two laboratories to fulfill its goal of protecting consumers. The Device and Commodity Program inspects livestock market, grain elevator, vehicle, and small retail scales and scanning devices to ensure their accuracy. In addition, milk sales practices are monitored and shell eggs are inspected for quality.

The Petroleum/Propane/Anhydrous Ammonia Program protects consumers against inaccurate and unsafe gasoline pumps and unsafe practices by the retailer. In addition, they approve propane gas delivery truck and dispenser meters to prevent overcharges on fuel bills and oversee anhydrous ammonia fertilizer installations for safety.

The Metrology Laboratory certifies volume and weight standards used by device service repair technicians, maintains all mass and volume standards used for calibrating industry standards, and certifies all weighing and measuring devices used by the division's inspectors. In addition, the Moisture Meter Program protects Missouri farmers against unjustified discounts on grain sales due to inaccurate moisture content values.

The Fuel Quality Program and laboratory collect samples and perform chemical analyses on gasoline, diesel fuel, heating oil, and other fuels to ensure that octane and other quality specifications are met.

Fiscal Year 2009 Governor's Recommendations

- \$313,950 to replace two large commodity scale inspection trucks.
- \$19,184 to replace a small mass comparator.
- \$71,396 for pay plan, including \$29,746 general revenue.
- (\$286,563) core reduction for one-time expenditures.
- (\$52,900) federal and other funds and (two) staff core reduction from the Fiscal Year 2008 appropriation level.

MISSOURI STATE FAIR

The Missouri State Fair is held annually in August on the state fairgrounds in Sedalia. The fair provides a showcase for livestock, agricultural products, commercial exhibits, and other displays. In addition, the fair offers a variety of entertainment and educational events. The fairgrounds are used during the rest of the year for more than 300 exhibits, sales, meetings, competitions, and entertainment events.

Fiscal Year 2009 Governor's Recommendations

- \$54,805 for pay plan, including \$16,533 general revenue.

STATE MILK BOARD

The State Milk Board inspects, samples, and tests milk and milk products ensuring that they are wholesome and safe for consumption. The board operates both a Grade A Milk Inspection Program and a Manufacturing Grade Milk Inspection Program to ensure milk quality. An inspection fee of up to five cents per one hundred pounds of Grade A milk is assessed and deposited in the Milk Inspection Fees Fund to cover all costs of the Grade A Milk Inspection Program. The Manufacturing Grade Milk Inspection Program, which ensures sanitation and quality standards for milk used only for manufacturing dairy products (e.g. cheese, butter, and ice cream), is funded from general revenue because inspection fees have not been assessed on manufacturing grade milk producers. Approximately one-half of all Grade A milk is consumed as fluid milk with the remainder used for manufacturing purposes.

Fiscal Year 2009 Governor's Recommendations

- \$86,075 Milk Inspection Fees Fund and one staff to replace eliminated local government milk inspection efforts.
- \$12,426 for pay plan, including \$3,169 general revenue.
- (\$86,075) Milk Inspection Fees Fund and (two) staff core reduction from the Fiscal Year 2008 appropriation level.

DEPARTMENT OF NATURAL RESOURCES

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | FY 2009 REQUEST | GOVERNOR RECOMMENDS FY 2009 |
|---|------------------------|--------------------------|--------------------|-----------------------------------|
| Department Operations | \$ 5,248,090 | \$ 5,855,241 | \$ 5,606,656 | \$ 5,728,853 |
| Energy Center | 13,534,119 | 9,642,734 | 9,642,734 | 10,076,047 |
| Environmental Programs | 220,675,780 | 236,542,362 | 245,835,464 | 237,932,062 |
| Geology and Land Survey | 2,992,068 | 3,604,254 | 3,570,618 | 3,775,117 |
| Division of State Parks | 32,524,243 | 36,542,544 | 38,195,266 | 39,861,992 |
| Historic Preservation | 1,257,074 | 3,517,843 | 5,777,843 | 5,997,366 |
| Agency-Wide Implementation | 19,310,942 | 31,547,716 | 32,680,406 | 32,781,885 |
| Environmental Improvement and Energy Resources Authority | 0 | 1 | 1 | 1 |
| DEPARTMENTAL TOTAL | \$ 295,542,316 | \$ 327,252,695 * | \$ 341,308,988 | \$ 336,153,323 |
| General Revenue Fund | 9,734,552 | 12,093,469 | 23,421,525 | 17,449,642 |
| Federal Funds | 32,044,849 | 43,242,217 | 41,965,214 | 42,541,044 |
| Other Funds | 253,762,915 | 271,917,009 | 275,922,249 | 276,162,637 |
| Full-time equivalent employees | 1,769.63 | 1,828.94 | 1,813.94 | 1,813.94 |

* Does not include \$35,968 Geologic Resources Fund and .5 staff recommended in the Fiscal Year 2008 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the Department of Natural Resources supplemental appropriations.

DEPARTMENT SUMMARY

Governor Blunt's Fiscal Year 2009 budget provides a total of \$336.2 million for the Department of Natural Resources. The department strives to preserve, protect, and enhance Missouri's natural, cultural, and energy resources. The core functions provided by the Department of Natural Resources include:

- Managing Missouri's state parks and cultural and historical resources.
- Protecting Missouri's water resources by enforcing state and federal environmental laws.
- Overseeing environmental programs that improve air quality and safely manage hazardous and solid waste.
- Helping landowners conserve fertile topsoil.
- Investigating the state's geology to determine the character and availability of the state's natural resources.
- Providing centralized assistance on environmental regulation and energy efficiency measures for farmers, builders, and local governments.

DEPARTMENT OF NATURAL RESOURCES

DEPARTMENT OPERATIONS

Department Operations is responsible for the development of statewide environmental and natural resource policies. Department Operations seeks to improve efficiency, drives customer-focused initiatives, ensures public participation in decision making, and attains results positively affecting the quality of water, air, land, energy, and recreational and cultural resources. Department Operations includes the Office of the Director, handles department policy and legal work, and provides communications and administrative support. The Office of the Director manages the department's four divisions, as well as the Energy Center, the Water Resources Center, and the Soil and Water Conservation Program, ensuring that the department meets all its responsibilities, statutory and otherwise. The office represents Missouri before several regional and national organizations and agencies, including the U.S. Environmental Protection Agency and a regional river basin association. Department Operations also includes the department's ombudsman initiative. Physically located throughout the state, the ombudsmen inform the department director and regional directors of emerging problems, issues of policy application consistency that cross the department's programs and regional offices, and provide a mechanism for constituent input and access to the director's office. Also a part of Department Operations, the Division of Administrative Support handles budget development, financial resource allocations, accounting, internal auditing, human resources, procurement, grants management, and general services.

Fiscal Year 2009 Governor's Recommendations

- \$129,337 for pay plan, including \$24,204 general revenue.
- (\$231,821) federal and other funds and (five) staff reallocated to Environmental Quality and Field Services, including (\$97,420) general revenue.
- (\$16,764) federal funds and (1.55) staff core reduction from the Fiscal Year 2008 appropriation level.
- (\$7,140) core reduction for mailroom consolidation from the Fiscal Year 2008 appropriation level, including (\$1,494) general revenue.

ENERGY CENTER

The Energy Center, the state's designated office for helping Missourians produce and use energy wisely, efficiently, and renewably, fosters and protects the state's environment, resources, and economic prosperity.

Fiscal Year 2009 Governor's Recommendations

- \$400,000 for energy audits.
- \$33,313 federal and other funds for pay plan.

**DEPARTMENT OF NATURAL RESOURCES
ENVIRONMENTAL PROGRAMS**

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDS FY 2009 |
|---------------------------------|------------------------|--------------------------|-----------------------------------|
| Environmental Quality | \$ 21,642,948 | \$ 26,835,298 | \$ 27,551,131 |
| Field Services | 15,162,180 | 18,520,729 | 18,691,182 |
| Inspection/Maintenance | 746,371 | 1,342,164 | 1,332,416 |
| Water Resources | 2,450,089 | 3,274,983 | 3,315,291 |
| Soil and Water Conservation | 35,134,657 | 39,682,292 | 40,115,146 |
| Environmental Financial Support | 145,539,535 | 146,886,896 | 146,926,896 |
| TOTAL | \$ 220,675,780 | \$ 236,542,362 | \$ 237,932,062 |
| General Revenue Fund | 7,350,917 | 8,816,037 | 10,945,082 |
| Federal Funds | 19,254,919 | 33,203,197 | 32,912,932 |
| Other Funds | 194,069,944 | 194,523,128 | 194,074,048 |

ENVIRONMENTAL PROGRAMS

ENVIRONMENTAL QUALITY

Water Protection Program – The division's Water Protection Program includes three branches--the Water Pollution Branch, the Drinking Water Branch, and the Financial Assistance Center. The Water Pollution Branch protects the quality of Missouri's groundwater, streams, and lakes, safeguarding these vital resources. This enhances agricultural production, forestry, fisheries, water-intensive manufacturing, water recreation, tourism, hunting, fishing, and human and animal consumption. The Public Drinking Water Branch ensures that all public drinking water systems provide clean and healthy drinking water for Missouri's citizens by ensuring that public water system construction and operation comply with the requirements of the federal Safe Drinking Water Act. The program oversees the proper construction of all wells, including water, oil and gas, exploration, heat pumps, and monitoring wells. The program also trains and certifies operators at Missouri's water supply and water treatment plants. The Financial Assistance Center administers the federal Clean Water and Drinking Water State Revolving Fund programs that provide low-interest loans and grants to Missouri communities for the construction of new, and the improvement of existing drinking water supply, wastewater treatment, and stormwater management systems.

Air Pollution Control Program – The Air Pollution Control Program (APCP) staff support the Air Conservation Commission, which develops policies to maintain and enhance the state's air quality for the protection of the public's health. Operating under the Clean Air Act's State Implementation Plans and Rules, the APCP reviews facility construction and operation permits to help ensure ambient air quality. Working with the department's regional office staff, the APCP identifies facilities that are not in compliance prior to pursuing any enforcement action. Collecting air quality and emission inventory data, the APCP provides benchmark data for Missouri air quality monitoring and planning. The APCP helps ensure that ozone levels in the St. Louis area improve and meet federal health-based air standards. Staff also coordinate air pollution control activities with other programs in the division and local air pollution control agencies.

Hazardous Waste Program – State and federal law require oversight of hazardous waste practices from the point of generation through final disposal to ensure the safe and legal handling of such materials. Together with required registration of hazardous waste generators, the program's manifest and quarterly reporting systems enable the program to identify the amount and types of waste generated, stored, containerized, transported off-site, and treated or otherwise disposed. The Hazardous Waste Program (HWP) also addresses abandoned or uncontrolled hazardous waste sites through preliminary assessments, site investigations, feasibility studies, remedial investigations, interim remedial measures, immediate removals, and long-term or final remedial actions. The HWP registers and regulates petroleum underground storage tanks; provides general and technical information concerning the installation, use, and closure of such systems; encourages compliance with underground storage tank law, regulations, and performance standards; and oversees corrective actions taken in response to leaks and other dangerously improper releases. In addition, the program provides oversight services for those who wish to voluntarily clean up contaminated properties, reviving them for productive use.

Solid Waste Management Program – The Solid Waste Management Program protects public health and the environment by requiring proper management of solid waste. The program encourages waste reduction, reuse, recycling, energy recovery, improved processing, and proper disposal. Implementing alternatives to the long-term storage of our waste will help to safeguard against landfill capacity shortages and will foster better use of our natural resources, including the otherwise productive land taken up to store our trash. Effectively regulating solid waste transportation, treatment, and storage through the implementation of solid waste management plans will help to minimize harmful land, water, and air pollution.

DEPARTMENT OF NATURAL RESOURCES

ENVIRONMENTAL PROGRAMS (Continued)

Land Reclamation Program – The Land Reclamation Program staff provide technical support for the Land Reclamation Commission. The commission regulates the surface mining of coal and other mineral commodities (such as barite, tar sands, clay, limestone, sand, and gravel) and provides for the reclamation of mined lands. Staff review mining and reclamation plans, issue permits that require security bonds to guarantee the reclamation of mined lands, and inspect sites to ensure reclamation performance. Program staff inventory and assess abandoned mined lands for health and pollution hazards to prioritize the reclamation of these abandoned areas.

Fiscal Year 2009 Governor's Recommendations

- \$258,091 and 5.16 staff to replace water pollution permit fee funding.
- \$123,590 to enhance water pollution permit processing.
- \$567,750 for pay plan, including \$17,512 general revenue.
- \$175,669 federal and other funds and four staff reallocated from Department Operations and Field Services.
- (\$409,267) federal and other funds and (10.16) staff core reduction from the Fiscal Year 2008 appropriation level.

FIELD SERVICES

The Field Services Division supports the implementation of the department's environmental services throughout the State of Missouri. To protect the state's publicly and economically valuable air, land and water resources, the division's front-line staff provide consistent, efficient delivery of services where Missourians live and work through timely compliance assistance, inspection, on-site visits to permitted facilities, permit issuance, environmental emergency response, sampling and sample analysis, and the investigation of reported environmental complaints.

Fiscal Year 2009 Governor's Recommendations

- \$943,545 and 21.76 staff to replace water pollution permit fee funding.
- \$500,000 to replace environmental emergency response and field services equipment.
- \$399,919 for pay plan, including \$122,247 general revenue.
- \$97,420 and two staff reallocated from Department Operations.
- (\$943,545) Natural Resources Protection Fund – Water Pollution Permit Fee Subaccount and (21.76) staff core reduction from the Fiscal Year 2008 appropriation level.
- (\$691,268) federal and other funds and (one) staff reallocated to Agency-Wide Implementation and Environmental Quality.
- (\$127,932) Safe Drinking Water Fund core reduction of one-time expenditures.
- (\$7,273) transferred to the Office of Administration for the statewide consolidation of fuel and utility purchases and facility related service contracts, including (\$2,122) general revenue.
- (\$413) Safe Drinking Water Fund transferred to the Office of Administration for the statewide consolidation of information technology services.

INSPECTION/MAINTENANCE

The department's vehicle emission inspection program is part of Missouri's continuing efforts to improve the air quality in the St. Louis area. As a result of SB 583 (2006) being signed into law, beginning September 1, 2007, the centralized vehicle emission inspection program in St. Louis will become decentralized. Currently there are 12 high-volume, test-only stations managed by one contractor. The statute creates the opportunity to develop a significant number of low-volume, test-only, and test-and-repair stations operated by licensed businesses, with one or more contractors providing the testing equipment and data collection systems that would be used at the new locations. Motorists could then choose to stop at just one shop for both safety and emissions inspections.

Fiscal Year 2009 Governor's Recommendations

- \$18,020 Missouri Air Emission Reduction Fund for pay plan.
- (\$27,768) Missouri Air Emission Reduction Fund and (one) staff core reduction from the Fiscal Year 2008 appropriation level.

DEPARTMENT OF NATURAL RESOURCES

ENVIRONMENTAL PROGRAMS (Continued)

WATER RESOURCES

Program hydrologists and geologists investigate and monitor surface water and groundwater resource characteristics, availability, and use to meet Missouri's comprehensive water needs. Staff operate a statewide groundwater aquifer-monitoring network with real-time water quantity data. Staff also collect and analyze surface-water flow data to safeguard against flood and drought. With the completion of Phase I and II of the State Water Plan, the program begins the statewide assessment of individual watersheds serving Missouri's communities and the state as a whole. Water Resources also administers the provisions of the Missouri Dam and Reservoir Safety Law. The department regulates all nonfederal, nonagricultural dams 35 feet and higher through registration, construction permits, and inspections. The program also defends the state's vital water resource interests, including those related to river transport, before numerous interstate and interagency river basin associations.

Fiscal Year 2009 Governor's Recommendations

- \$40,308 for pay plan, including \$28,762 general revenue.

SOIL AND WATER CONSERVATION

The Soil and Water Conservation Program implements the policies of the Soil and Water Districts Commission to ensure the long-term productivity of Missouri's most basic resource, the soil. Departmental staff aid Missouri's local soil and water conservation districts and administer several soil conservation programs funded by one-half of the one-tenth of one percent dedicated sales tax renewed by Missouri voters in August 2006. Soil and Water Sales Tax funded programs include: cost-sharing grants for up to 75 percent of farmers' costs to implement approved soil conservation practices; loan interest payment assistance for landowners on loans expended for approved conservation practices and equipment; grants to local districts for administrative expenses and technical assistance; special incentives for intensive conservation measures in critical areas; soil survey mapping efforts; and grants for research on soil conservation problems.

Fiscal Year 2009 Governor's Recommendations

- \$375,665 Soil and Water Sales Tax Fund to increase grants for local soil and water conservation districts.
- \$57,189 Soil and Water Sales Tax Fund for pay plan.
- (Five) staff core reduction from the Fiscal Year 2008 appropriation level.

ENVIRONMENTAL FINANCIAL SUPPORT

The department administers a variety of funds for local governments and others to combat air pollution, clean up abandoned and uncontrolled hazardous waste sites, reclaim abandoned mine lands, monitor and test drinking water supplies, and construct or improve water and wastewater facilities.

Fiscal Year 2009 Governor's Recommendations

- \$40,000 to pay the state's obligation for the Superfund cleanup of the Annapolis lead contamination site.

GEOLOGY AND LAND SURVEY

Headquartered in Rolla, Missouri, the Division of Geology and Land Survey investigates the state's geology, providing geologic and hydrologic information and expertise to aid economic and environmental decision-making regarding site remediations, contaminant migration, subsurface investigations and geologic hazards. The division also determines the character and availability of the state's water and mineral resources. The division is responsible for restoring and maintaining the U. S. Public Land Survey System in Missouri and serves as a repository for the state's land survey records. Division management represents the state through the Association of American State Geologists and Central U.S. Earthquake Consortium.

Fiscal Year 2009 Governor's Recommendations

- \$124,424 Geologic Resources Fund and two staff to implement a fee-based geologic and hydrologic resource assessment program to assist the minerals industry, pursuant to SB 54 (2007)
- \$80,075 for pay plan, including \$21,838 general revenue.
- (\$33,636) federal funds and (1.91) staff core reduction from the Fiscal Year 2008 appropriation level.

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF STATE PARKS

The Division of State Parks manages the many recreational, cultural, and historical resources of the Missouri state parks system. The division also administers programs to promote outdoor recreation statewide.

Missouri's state parks system consists of 83 state parks and historic sites, as well as the Roger Pryor Pioneer Backcountry. The system is divided into three field district offices, with each of the district headquarters reporting to the Central Office in Jefferson City. Administrative, maintenance, and service personnel manage the lands and improvements, provide recreational and educational programs for visitors, and provide necessary law enforcement. Funding provided by the one-tenth of one percent Parks and Soils Sales Tax has been used for projects such as campground remodeling; the addition of shower houses and restrooms; paving of roads within campgrounds; restoration of landscapes; and additional personnel for maintenance, education, and site interpretation. The Parks and Soils Sales Tax provides continued restoration and improvement of the state parks system and allows division staff to better serve the millions of people who visit parks and historic sites each year.

Central Office administration directs and coordinates the management of the state parks system. Responsibilities include personnel management, budget and policy development, and the evaluation of management procedures and performance. Central Office staff provide logistical support to the individual state parks, and operate the central sign shop, central warehouse, and aerial device unit. Staff also identify unique natural areas which may require protection; conduct special studies related to parks operations and development; and prepare site, architectural, and engineering plans and maps.

The division assists the State Inter-Agency Council for Outdoor Recreation in the administration of grants that finance outdoor recreation projects.

Fiscal Year 2009 Governor's Recommendations

- \$1,652,722 other funds to pay increased costs of current operations, including seasonal labor costs, to train and equip a historic repair crew, and to create a new state park on the Current River.
- \$1,000,000 to support local parks statewide.
- \$666,726 federal and other funds for pay plan.

HISTORIC PRESERVATION

The State Historic Preservation Office helps identify and preserve historic properties and cultural resources throughout the state, administers grants and loans to support preservation efforts, and provides technical assistance to taxpayers in qualifying for historic preservation tax credits.

Fiscal Year 2009 Governor's Recommendations

- \$1,130,000 transferred to the Historic Preservation Revolving Fund, pursuant to Section 143.183, RSMo.
- \$1,130,000 Historic Preservation Revolving Fund to help preserve historic, public properties.
- \$200,000 for planning and to begin implementation of the sesquicentennial commemoration of the Civil War.
- \$19,523 federal and other funds for pay plan.

AGENCY-WIDE IMPLEMENTATION

A number of issues are multi-faceted and require resources and expertise from several divisions within the Department of Natural Resources. To deal effectively with these issues, the department consolidated these operations agency wide.

Fiscal Year 2009 Governor's Recommendations

- \$34,169 federal and other funds for pay plan.
- \$650,000 Natural Resources Revolving Services Fund reallocated from Field Services.
- \$550,000 transferred from the Office of Administration for Clarence Cannon water payments.
- (2.54) staff core reduction from the Fiscal Year 2008 appropriation level.

DEPARTMENT OF NATURAL RESOURCES

ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

The Environmental Improvement and Energy Resources Authority, under Chapter 260, RSMo, is an independent, self-supporting, quasi-governmental agency assigned to the Missouri Department of Natural Resources.

Due to the special independent status as “a body corporate and politic,” the authority is able to issue tax-exempt bonds and utilize fees charged for issuance of its bonds and notes. The authority is empowered to conduct environmental and energy research and development activities; develop alternative methods of financing environmental and energy projects; and assist Missouri communities, organizations, and businesses in obtaining low-cost funds and other financial assistance for projects related to the authority purpose.

Fiscal Year 2009 Governor’s Recommendations

Continue funding at the current level.

DEPARTMENT OF CONSERVATION

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | FY 2009 REQUEST | GOVERNOR RECOMMENDS FY 2009 |
|--------------------------------|------------------------|--------------------------|--------------------|-----------------------------------|
| Personal Service | \$ 76,697,524 | \$ 84,236,004 | \$ 84,236,004 | \$ 86,516,702 |
| Expense and Equipment | 42,965,513 | 53,259,674 | 49,434,275 | 49,434,275 |
| Program Specific Distribution | 9,366,132 | 5,758,465 | 9,583,864 | 9,583,864 |
| TOTAL | | | | |
| Conservation Commission Fund | \$ 129,029,169 | \$ 143,254,143 | \$ 143,254,143 | \$ 145,534,841 |
| Full-time equivalent employees | 1,843.40 | 1,871.61 | 1,871.61 | 1,871.61 |

DEPARTMENT SUMMARY

Governor Blunt's Fiscal Year 2009 budget provides a total of \$145.5 million for the Department of Conservation to support its mission to protect and manage the fish and wildlife resources of Missouri. In 1976, Missouri voters endorsed a measure authorizing a one-eighth of one-cent sales tax to provide for conservation services. This dedicated funding source has allowed the department to be self-sustaining and has helped foster abundant fish, wildlife, forestry, and water resources for generations of Missourians. Governor Blunt continues to encourage the department to serve the public responsibly, to facilitate the public's participation in resource management activities, and to provide an opportunity for all citizens to use, enjoy, and learn about Missouri's natural treasures.

Fiscal Year 2009 Governor's Recommendations

- \$2,280,698 Conservation Commission Fund for pay plan.

DEPARTMENT OF ECONOMIC DEVELOPMENT

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | FY 2009 REQUEST | GOVERNOR RECOMMENDS FY 2009 |
|---------------------------------|------------------------|--------------------------|--------------------|-----------------------------------|
| Business and Community Services | \$ 54,860,187 | \$ 112,840,587 | \$ 143,348,447 | \$ 127,197,935 |
| Workforce Development | 111,351,287 | 145,004,241 | 144,993,441 | 145,624,022 |
| Division of Tourism | 17,772,811 | 20,674,810 | 22,174,810 | 24,674,810 |
| Affordable Housing | 5,411,638 | 4,958,650 | 4,934,484 | 4,944,428 |
| Utility Regulation | 15,071,023 | 18,499,584 | 18,589,661 | 18,858,485 |
| Administrative Services | 3,749,394 | 3,381,631 | 3,380,113 | 3,418,905 |
| DEPARTMENTAL TOTAL | \$ 208,216,340 | \$ 305,359,503 * | \$ 337,420,956 | \$ 324,718,585 |
| General Revenue Fund | 42,824,008 | 64,257,953 | 75,388,893 | 78,297,659 |
| Federal Funds | 134,272,418 | 169,435,600 | 169,424,800 | 169,847,375 |
| Other Funds | 31,119,914 | 71,665,950 | 92,607,263 | 76,573,551 |
| Full-time equivalent employees | 891.28 | 983.87 | 983.87 | 975.87 |

* Does not include \$100,000 recommended in the Fiscal Year 2008 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the Department of Economic Development supplemental appropriations.

DEPARTMENT SUMMARY

Governor Blunt's Fiscal Year 2009 budget provides a total of \$324.7 million for the Department of Economic Development. The Department provides services to Missourians and businesses to facilitate economic success. Core functions provided by the Department of Economic Development include:

- Facilitating location options, expansion, retention, or start-up of businesses to help create and retain high-quality employment opportunities for Missourians.
- Administering tax credit programs designed to assist with business recruitment and workforce training.
- Oversight and regulation of public utility companies to ensure Missourians receive reliable and safe services.

**DEPARTMENT OF ECONOMIC DEVELOPMENT
BUSINESS AND COMMUNITY SERVICES**

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDS FY 2009 |
|---|------------------------|--------------------------|-----------------------------------|
| Missouri Economic Research and Information Center | \$ 0 | \$ 2,096,490 | \$ 2,192,604 |
| Marketing | 1,551,954 | 4,926,000 | 4,263,634 |
| Sales | 1,524,036 | 2,176,080 | 1,524,301 |
| Finance | 905,748 | 1,236,115 | 1,169,839 |
| Compliance | 629,348 | 847,889 | 829,801 |
| Small Business Development Centers | 0 | 500,000 | 500,000 |
| Community Development and Block Grant Program | 26,947,416 | 28,000,000 | 28,000,000 |
| Local Initiatives Support Program | 0 | 275,000 | 0 |
| Missouri Technology Investment | 3,205,885 | 9,129,999 | 9,129,999 |
| Jobs Retention Training Program | 4,285,366 | 10,000,000 | 10,000,000 |
| Missouri Community College New Jobs Training | 4,920,374 | 16,000,000 | 16,000,000 |
| Community Redevelopment and Assistance | 5,428,470 | 12,075,202 | 13,239,871 |
| Arts and Cultural Development | 5,461,590 | 12,122,347 | 20,972,886 |
| Life Sciences Research | 0 | 13,455,465 | 19,375,000 |
| TOTAL | \$ 54,860,187 | \$ 112,840,587 | \$ 127,197,935 |
| General Revenue Fund | 14,192,262 | 28,948,982 | 38,931,569 |
| Federal Funds | 30,862,665 | 37,221,576 | 37,005,608 |
| Other Funds | 9,805,260 | 46,670,029 | 51,260,758 |

BUSINESS AND COMMUNITY SERVICES

The Business and Community Services Division consists of the Marketing, Sales, Finance, and Compliance Teams. The division promotes Missouri as a great place to do business and helps create an environment that will stimulate family supporting jobs and new private investment. Other services include various programs aimed at investing in Missouri's communities to allow for future sustainable growth and to increase opportunities for new local and state revenues.

MISSOURI ECONOMIC RESEARCH AND INFORMATION CENTER (MERIC)

MERIC is the research division for the Missouri Department of Economic Development. This section provides innovative analyses and assistance to policymakers and the public, including studies of the state's targeted industries and economic development initiatives. Other MERIC research includes Economic Condition Reports, Economic Impact Assessments, and Labor Market Information produced in cooperation with the U.S. Department of Labor.

Fiscal Year 2009 Governor's Recommendations

- \$53,556 for pay plan, including \$5,503 general revenue.
- \$42,558 and one staff reallocated from the Sales Team.
- (Two) staff core reduction from the Fiscal Year 2008 appropriation level.

MARKETING

The Marketing Team produces print and media materials to market the state. The team markets Missouri at the national and international level to increase lead opportunities and generally support the Sales and Finance Teams.

Fiscal Year 2009 Governor's Recommendations

- \$15,724 for pay plan, including \$10,292 general revenue.
- (\$677,000) Economic Development Advancement Fund core reduction from the Fiscal Year 2008 appropriation level.
- (\$1,090) transferred to the Office of Administration for information technology services.

DEPARTMENT OF ECONOMIC DEVELOPMENT

BUSINESS AND COMMUNITY SERVICES (Continued)

SALES

The Sales Team provides individualized customer service, through regional and industry specialization, to businesses considering locating or expanding within the state. Sales Team staff work to develop export promotion opportunities for Missouri businesses to take their products and services to key world markets.

Fiscal Year 2009 Governor's Recommendations

- \$34,341 for pay plan, including \$26,617 general revenue.
- (\$442,269) Missouri Job Development Fund and (eight) staff reallocated to Workforce Development.
- (\$199,000) Economic Development Advancement Fund core reduction from the Fiscal Year 2008 appropriation level.
- (\$42,558) and (one) staff reallocated to the Missouri Economic Research and Information Center.
- (\$2,293) transferred to the Office of Administration for information technology services.

FINANCE

The Finance Team administers the tax incentive programs offered by the department.

Fiscal Year 2009 Governor's Recommendations

- \$26,602 for pay plan, including \$18,078 general revenue.
- \$21,773 and .75 staff reallocated from the Compliance Team.
- (\$81,000) Economic Development Advancement Fund core reduction from the Fiscal Year 2008 appropriation level.
- (\$31,828) federal funds and (.8) staff reallocated to the Compliance Team.
- (\$1,823) transferred to the Office of Administration for information technology services.

COMPLIANCE

The Compliance Team assures accountability for each program by assessing the operations. The team conducts file reviews, on-site monitoring, eligibility determinations, and assures necessary claw-backs are pursued. The Compliance Team works proactively with the Finance Team to assure compliance standards are met for all programs.

Fiscal Year 2009 Governor's Recommendations

- \$16,197 for pay plan, including \$4,455 general revenue.
- \$31,828 federal funds and .8 staff reallocated from the Finance Team.
- (\$43,000) Economic Development Advancement Fund core reduction from the Fiscal Year 2008 appropriation level.
- (\$21,773) and (.75) staff reallocated to the Finance Team.
- (\$1,340) transferred to the Office of Administration for information technology services.

SMALL BUSINESS DEVELOPMENT CENTERS

Missouri Small Business Development Centers (SBDCs) assist small businesses through counseling, training programs, research, and other resources. Thirteen offices throughout the state assist business owners through individualized counseling, marketing strategies, small business management, financial analysis, and access to technology.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF ECONOMIC DEVELOPMENT

BUSINESS AND COMMUNITY SERVICES (Continued)

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The Community Development Block Grant program provides grants to non-entitlement cities and counties for community development activities that: (1) benefit at least 51 percent low and moderate income persons, (2) eliminate slum and blight, or (3) meet urgent threats to health and safety. Typical projects include infrastructure expansion, downtown revitalization, housing rehabilitation, housing financing, Americans with Disabilities Act accessibility improvements, and community facility projects.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

LOCAL INITIATIVES SUPPORT PROGRAM

NeighborhoodsNOW is an urban core revitalization program developed by Greater Kansas City Local Initiatives Support Corporation (Greater Kansas City LISC) and its partners that takes a comprehensive approach by inviting the public, private, and philanthropic sectors to help transform targeted Missouri neighborhoods into more stable communities. The mission is to rebuild neighborhoods physically, economically, and socially by concentrating funding from government, philanthropic, and corporate partners in seven targeted urban core neighborhoods.

Fiscal Year 2009 Governor's Recommendations

- (\$275,000) core reduction for one-time expenditures.

MISSOURI TECHNOLOGY INVESTMENT

The Missouri Technology Investment Fund supports business modernization, technology application, technology commercialization, and technology development. The following programs are supported by the Missouri Technology Investment Fund.

Missouri Manufacturing Extension Partnership – The partnership provides business and technical assistance to the state's small and medium size manufacturers. The assistance enables the manufacturers to become and remain competitive by retaining existing jobs and creating new jobs. The Missouri Manufacturing Extension Partnership is a public-private partnership including the U.S. Department of Commerce's National Institute of Standards and Technology and the University of Missouri System.

Innovation Centers – Innovation centers offer a wide range of management and technical assistance to technology-based businesses. Clients become a part of a network of state, federal, university, and private resources designed to develop and support high-growth businesses. Currently, centers are located in St. Louis, Rolla, Columbia, Cape Girardeau, and Joplin.

Missouri Technology Corporation – The corporation promotes the modernization of business through the transfer of science, technology, and quality improvement methods to the workplace and enhances the productivity and competitiveness of Missouri's businesses by providing leadership and establishing methods of technology application, commercialization, and development.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

JOBS RETENTION TRAINING PROGRAM

Created by Sections 178.760-178.764, RSMo, the Jobs Retention Training Program provides an incentive for the retention of existing jobs by providing education and training to workers for expanding industries by community college districts.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF ECONOMIC DEVELOPMENT

BUSINESS AND COMMUNITY SERVICES (Continued)

MISSOURI COMMUNITY COLLEGE NEW JOBS TRAINING

Created by Sections 178.892-178.896, RSMo, the Missouri Community College New Jobs Training Program provides an incentive for the creation of new jobs by providing education and training of workers for new or expanding industries by community college districts.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

COMMUNITY REDEVELOPMENT AND ASSISTANCE

Community Redevelopment and Assistance consists of the Missouri Community Service Commission, Missouri Small Business Regulatory Fairness Board, Missouri Military Preparedness and Enhancement Commission, Missouri Development Finance Board, and Missouri Main Street Program. These programs promote volunteerism and community services, monitor the impact of state regulations on small business, design and implement measures to retain and protect military posts or bases in Missouri, and administer a range of financing programs through revenue bonds, notes, and tax credits.

Fiscal Year 2009 Governor's Recommendations

- \$1,157,993 for current tax increment financing projects.
- \$6,676 for pay plan, including \$1,195 general revenue.

ARTS AND CULTURAL DEVELOPMENT

Missouri Arts Council - The Missouri Arts Council provides financial assistance to non-profit organizations through grants that encourage growth, development, and appreciation of the arts in Missouri. Program assistance is provided in specific arts discipline areas including dance, electronic media arts, festivals, literature, music, theatre, visual arts, arts services, community arts, folk arts, minority arts, touring, mini-grants, and arts education. Program assistance awards provide seed money on a matching basis to not-for-profit applicants throughout Missouri.

Missouri Humanities Council - The Missouri Humanities Council is the state affiliate of the National Endowment for the Humanities. The Missouri Humanities Council's mission is to help citizens of Missouri learn about the history, literature, and the ideas that shape democracy. Programs help communities understand and celebrate a shared history and assist local institutions in developing the capacity to engage the public in lifelong learning activities. The Missouri Humanities Council also provides on-site consulting and workshops to help local museums and cultural institutions organize ideas.

Public Television and Public Radio - Funds are distributed to Missouri public television and radio stations for operating assistance pursuant to Section 143.183, RSMo.

Fiscal Year 2009 Governor's Recommendations

- \$6,780,000 transferred to the Missouri Arts Council Trust Fund pursuant to Section 143.183, RSMo.
- \$1,130,000 transferred to the Missouri Humanities Council Trust Fund pursuant to Section 143.183, RSMo.
- \$1,130,000 transferred to the Missouri Public Broadcasting Corporation Special Fund pursuant to Section 143.183, RSMo.
- \$102,000 Missouri Humanities Council Trust Fund for additional programs.
- \$8,539 federal funds for pay plan.
- (\$300,000) federal funds and (one) staff core reduction from the Fiscal Year 2008 appropriation level.

LIFE SCIENCES RESEARCH

The mission of the Life Sciences Research Board is to enhance the capacity of the State's ability to perform research to better serve the health and welfare of Missouri residents as a center of life sciences research and development by building on the success of research institutions located in Missouri, attracting new research and development institutions, commercializing the life sciences technologies developed by such institutions, and enhancing their capacity to carry out their respective missions.

Fiscal Year 2009 Governor's Recommendations

- \$5,919,535 Life Sciences Research Trust Fund to enhance the state's research capacity with a focus on animal health and nutrition as well as plant science.

**DEPARTMENT OF ECONOMIC DEVELOPMENT
WORKFORCE DEVELOPMENT**

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDS FY 2009 |
|--|------------------------|--------------------------|-----------------------------------|
| Workforce Development Administration | \$ 18,975,164 | \$ 24,387,506 | \$ 25,005,680 |
| Workforce Programs | 84,735,282 | 109,246,734 | 109,246,734 |
| Missouri Job Development Fund Transfer | 7,356,421 | 11,083,939 | 11,083,939 |
| Women's Council | 68,419 | 70,062 | 71,669 |
| Special Employment Security Fund | 216,001 | 216,000 | 216,000 |
| TOTAL | \$ 111,351,287 | \$ 145,004,241 | \$ 145,624,022 |
| General Revenue Fund | 9,447,994 | 13,264,502 | 13,264,502 |
| Federal Funds | 101,113,118 | 130,593,057 | 131,207,092 |
| Other Funds | 790,175 | 1,146,682 | 1,152,428 |

WORKFORCE DEVELOPMENT

The Division of Workforce Development provides a well-balanced employment and training system, giving Missourians the opportunity to achieve their full career and employment potential through high-quality programs. Missouri employers also benefit from a more competitive and better-trained workforce. The Job Service (Wagner-Peyser) Program offers a network of services delivered in a customer-focused environment to help people find and retain employment. Services include provision of labor market information, career counseling, testing, and job readiness training. Services also include assisting employers in meeting their employment needs by referring qualified workers for job openings and providing information to help plan for future workforce needs. The Job Service Program is federally funded and administered by the Division of Workforce Development. These funds are targeted toward all Missourians who are changing careers, looking for their first job, unemployed, economically disadvantaged, school dropouts, and dislocated workers.

WORKFORCE DEVELOPMENT ADMINISTRATION

Workforce Investment Act funds, along with federal Job Service Program funds, are administered by the Division of Workforce Development. These funds are targeted toward the economically disadvantaged, Temporary Assistance for Needy Families recipients, school dropouts, and dislocated workers.

Fiscal Year 2009 Governor's Recommendations

- \$628,974 federal and other funds for pay plan.
- (\$10,800) federal funds transferred to the Office of Administration for leasing operations.
- Eight staff reallocated from the Sales Team.
- (Five) staff core reduction from the Fiscal Year 2008 appropriation level.

WORKFORCE PROGRAMS

The mission of the federal Workforce Investment Act Program is to serve Missourians by providing training and employment opportunities; establishing a flexible, coordinated, and decentralized training system; and coordinating these programs with other employment and training-related programs. The employment and training programs offered on a statewide basis include: Workforce Investment Act programs, the Trade Adjustment Assistance Program, North American Free Trade Agreement programs, Rapid Response Worker programs, the Temporary Assistance for Needy Families Program, the Missouri Employment and Training Program, and the Parent's Fair Share Program. Individuals who meet eligibility requirements for the programs may access services to make them more competitive in the workforce. Historically, the Division of Workforce Development, along with local workforce investment areas, have provided a full range of services authorized under the Workforce Investment Act which are designed to prepare individuals with barriers to employment for the workforce. Services include referral to job openings, job readiness skills training, referral to classroom or employer training, as well as payment of support services such as transportation. The Missouri Training and Employment Council provides direction to the Division of Workforce Development on policies and procedures to ensure that local workforce investment area programs comply with Workforce Investment Act financial and program requirements.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF ECONOMIC DEVELOPMENT

WORKFORCE DEVELOPMENT (Continued)

MISSOURI JOB DEVELOPMENT FUND

The Missouri Job Development Fund helps new and expanding businesses train Missouri's workforce.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

WOMEN'S COUNCIL

Through its meetings, staff support, and other activities, the Missouri Women's Council addresses the issues of expanding women's opportunities through education and training programs. The council works to increase occupational mobility in lower- and middle-employment levels, provides access to jobs with higher skill and managerial duties, promotes small business opportunities, and provides access to non-traditional skills through apprenticeships and vocational training. The council also prepares an annual state needs assessment to identify problem geographic areas; establishes long- and short-term goal statements; inventories current federal, state, local, and private programs relating to women's economic needs; and prepares plans to address those problem areas.

Fiscal Year 2009 Governor's Recommendations

- \$1,607 federal funds for pay plan.

SPECIAL EMPLOYMENT SECURITY FUND

The Special Employment Security Fund is derived from interest and penalties collected under the provisions of the Missouri Employment Security Law. Expenditures from this fund are made in accordance with Section 288.310, RSMo, the Employment Security Law.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

DIVISION OF TOURISM

The Division of Tourism promotes Missouri's tourist destinations and attractions with multi-media campaigns and direct marketing, a web site, vacation guides, public relations efforts, and a cooperative marketing program. The Division of Tourism currently operates seven tourism welcome centers located at key entry points near the state's borders and plans to open another in Joplin in Fiscal Year 2009. Since Fiscal Year 1995, the division has been funded with a portion of the growth in tax revenues on tourism-oriented goods and services.

Fiscal Year 2009 Governor's Recommendations

- \$4,000,000 transferred to the Division of Tourism Supplemental Revenue Fund.

AFFORDABLE HOUSING

Missouri Housing Development Commission – The Missouri Housing Development Commission (MHDC) was established in 1969 to assist with the creation of housing for low- and moderate-income people of Missouri.

The MHDC generates affordable rental housing through a variety of funding sources, including its own fund balances, the state's allocation of federal funds, its authority to issue tax-exempt and taxable bonds, and state and federal housing tax credits. The MHDC offers programs for qualified first-time homebuyers, as well as funds for home repairs to aid in the prevention of homelessness.

Manufactured Housing Program – Staff of the Manufactured Housing Program are responsible for overseeing the annual registration of dealers and manufacturers of manufactured homes and modular units, prescribing and enforcing uniform construction and safety standards by conducting code inspections, addressing consumer complaints, and enforcing set-up and tie-down requirements.

Fiscal Year 2009 Governor's Recommendations

- \$9,944 Manufactured Housing Fund for pay plan.
- (\$24,166) Manufactured Housing Fund core reduction for one-time expenditures.

DEPARTMENT OF ECONOMIC DEVELOPMENT

UTILITY REGULATION

Office of Public Counsel – The Office of Public Counsel is the state's consumer advocate involved in matters of utility ratemaking and regulation. Attorneys and technical staff analyze utility rate cases and provide testimony and cross-examination in hearings held before the Public Service Commission (PSC). The Public Counsel also has the right to appeal PSC cases through the court system.

Public Service Commission – The PSC regulates the rates, finances, safety, and quality of service of private, investor-owned telephone, gas, electric, water, and sewer utilities, and the safety of rural electric cooperatives and municipal gas systems. The commission is divided into six sections: executive, adjudication, administration, general counsel, utility operations, and utility services. Additionally, the PSC oversees the administration of the Relay Missouri service in the state. Relay Missouri provides deaf, hard-of-hearing, and speech-impaired citizens access to the telephone network and is funded through a monthly, per-line surcharge.

The Executive Section includes the five commissioners, who are appointed by the Governor with advice and consent of the Senate. The commission's statutory responsibilities include hearing cases and issuing reports and orders. The section also includes an executive director -- the PSC's chief operations officer responsible for the overall administrative functions and the policy direction of the staff, the public information and education department, and the legislative coordinator.

The Adjudication Section is the PSC's quasi-judicial section. A staff of eight regulatory law judges handles the cases from filing to resolution. The judges preside over hearings, rule on objections and motions, and draft all orders, as directed by the commission, for a particular case. The Adjudication Section also contains the commission's data center. This section accepts all pleadings, tariffs, and other case-related documents; issues the certified orders of the commission; and maintains the permanent case files of the commission.

The Administration Section is responsible for managing the commission's fiscal, personnel, and information resources. The consumer services unit receives, investigates, and responds to consumer complaints to ensure compliance with commission rules and regulations and utility company tariffs.

The Office of General Counsel represents the commission and staff in all matters relating to Missouri utility regulation. Its duties consist of assisting and advising agency staff in the preparation and filing of evidence in legal proceedings and preparing and presenting legal arguments in appearances before the commission, state and federal courts, and administrative tribunals.

The Utility Operations Section supports the commission in meeting its statutory responsibilities by providing technical expertise in energy safety, utility rates, tariffs, rules and regulations, economic analysis, engineering oversight and investigations, and construction inspections.

The Utility Services Section supports the commission by providing expertise in the areas of utility accounting, auditing, engineering, finance, management, and natural gas procurement. The section is also responsible for investigating and responding to consumer complaints and making recommendations to the commission regarding their resolution.

Fiscal Year 2009 Governor's Recommendations

- \$61,780 Public Service Commission Fund for replacement vehicles.
- \$30,800 to support responsibilities of the Eminent Domain Ombudsman.
- \$321,824 for pay plan, including \$19,154 general revenue.
- (\$48,332) Public Service Commission Fund for four replacement vehicles.
- (\$4,936) transferred to the Office of Administration for information technology services.
- (\$2,235) Public Service Commission Fund transferred to the Office of Administration for janitorial services.

ADMINISTRATIVE SERVICES

The Administrative Services Division provides direction and guidance to the department. Through policy development, legislative coordination, communications (public information) and research, the efforts of the divisions are aligned toward achieving improved performance for its customers. The division provides centralized support services, including establishment and maintenance of financial systems, personnel functions, and budget and planning. Administrative Services also provides legal assistance, facilities management, and telecommunications services for divisions within the department.

Fiscal Year 2009 Governor's Recommendations

- \$64,426 for pay plan, including \$13,619 general revenue.
- (\$25,634) federal and other funds core reduction for mailroom consolidation from the Fiscal Year 2008 appropriation level.
- (\$1,518) transferred to the Office of Administration for information technology services.

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | FY 2009 REQUEST | GOVERNOR RECOMMENDS FY 2009 |
|---|------------------------|--------------------------|--------------------|-----------------------------------|
| Insurance | | | | |
| Administration and Insurance Operations | \$ 4,691,243 | \$ 5,961,657 | \$ 8,215,237 | \$ 8,401,240 |
| Market Conduct and Financial Examinations | 5,769,070 | 7,441,258 | 5,160,138 | 5,282,098 |
| Health Insurance Counseling | 800,000 | 800,000 | 900,000 | 900,000 |
| Financial Institutions | | | | |
| Credit Unions | 913,826 | 1,235,154 | 1,235,154 | 1,268,496 |
| Finance | 5,375,394 | 6,305,277 | 6,485,486 | 6,651,907 |
| Professional Registration | 11,455,923 | 13,890,120 | 14,164,892 | 14,420,167 |
| DEPARTMENTAL TOTAL | \$ 29,005,456 | \$ 35,633,466 * | \$ 36,160,907 | \$ 36,923,908 |
| Federal Funds | 600,000 | 600,000 | 700,000 | 700,000 |
| Other Funds | 28,405,456 | 35,033,466 | 35,460,907 | 36,223,908 |
| Full-time equivalent employees | 507.83 | 527.65 | 537.15 | 535.15 |

* Does not include \$1,269,730 recommended in the Fiscal Year 2008 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the Department of Insurance, Financial Institutions and Professional Registration supplemental appropriations.

DEPARTMENT SUMMARY

Governor Blunt's Fiscal Year 2009 budget provides a total of \$36.9 million for the Department of Insurance, Financial Institutions and Professional Registration. The department protects consumers through oversight of the insurance industry, financial institutions, and licensed professionals.

INSURANCE

Administration – Certain administrative functions are centralized to provide more efficient services. These staff provide functions such as policy development, legislative coordination, communications (public information), research and accounting, centrally with the costs allocated based on usage to the appropriate divisions within the department.

Insurance Operations – Insurance staff are responsible for overseeing the insurance industry's compliance with Missouri insurance laws and regulations, and protecting the interests of Missouri insurance-buying consumers. Specific duties include licensing insurance producers (agents, brokers, and agencies), investigating consumer complaints, collecting over \$200 million in premium taxes paid by insurance companies, and providing information to over 30,000 consumers each year through a statewide toll-free hotline and the department's website.

Market Conduct and Financial Examinations – The department conducts both financial and market conduct examinations. Financial examinations ensure insurance companies have sufficient reserves to pay consumer claims. Market conduct examinations of insurance companies serve to verify that policyholders and beneficiaries receive the full benefits from the contracts by which they and the insurer have agreed.

Health Insurance Counseling – The department contracts with Primaris to administer the CLAIM (Community Leaders Assisting the Insured of Missouri) program. CLAIM provides counseling and educational activities to seniors on health insurance coverage and Medicare benefits. The program recruits sponsors and volunteers, develops and conducts volunteer training, publicizes the program and maintains a toll-free number, 1-800-390-3330, and website, www.missouricclaim.org. Volunteers are recruited locally and community organizations such as hospitals, community centers, extension offices, or senior centers serve as cosponsors and provide space, supplies, and local publicity for the program.

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

INSURANCE (Continued)

Fiscal Year 2009 Governor's Recommendations

- \$100,000 federal funds for the Community Leaders Assisting the Insured of Missouri Program (CLAIM) services.
- \$310,587 other funds for pay plan.
- (\$27,540) Department of Insurance Dedicated Fund core reduction for one-time expenditures.
- (\$2,624) Department of Insurance Dedicated Fund core reduction for mailroom consolidation from the Fiscal Year 2008 appropriation level.

FINANCIAL INSTITUTIONS

Credit Unions – The Division of Credit Unions is responsible for the examination, supervision, chartering, merger, and liquidation of Missouri's 143 state-chartered credit unions. The division also responds to consumer complaints against credit union services or operations. Missouri credit unions have approximately 1.2 million members and assets exceeding \$8.7 billion. Missouri ranks seventh in the nation in the number of state-chartered credit unions.

Finance – The Division of Finance is responsible for the incorporation and regulation of Missouri's 293 state-chartered banks, non-deposit trust companies, and savings and loan associations. The division also licenses and regulates consumer credit companies, credit services organizations, money order companies, and residential mortgage brokers. Primary objectives include ensuring the safety and soundness of these institutions and the monitoring of compliance with laws and regulations, thereby safeguarding the funds of depositors and maintaining public confidence in Missouri's financial system. Missouri ranks fifth in the nation in the number of state-chartered banks.

Fiscal Year 2009 Governor's Recommendations

- \$128,136 Division of Finance Fund and two staff for additional bank examinations.
- \$52,073 Division of Finance Fund and one staff for a consumer hotline to provide assistance to Missourians at risk of foreclosure.
- \$199,763 other funds for pay plan.

**DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
PROFESSIONAL REGISTRATION**

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDS FY 2009 |
|--|------------------------|--------------------------|-----------------------------------|
| Administration | \$ 3,543,250 | \$ 4,070,681 | \$ 4,259,802 |
| State Board of Accountancy | 389,394 | 451,476 | 459,600 |
| State Board of Architects, Professional Engineers, and Land Surveyors | 492,655 | 759,495 | 770,443 |
| State Board of Chiropractic Examiners | 103,010 | 149,567 | 149,567 |
| Missouri Dental Board | 504,930 | 624,168 | 635,009 |
| State Board of Embalmers and Funeral Directors | 106,057 | 145,393 | 145,393 |
| State Board of Registration for the Healing Arts | 2,281,166 | 2,512,572 | 2,569,569 |
| State Board of Nursing | 1,517,198 | 1,933,045 | 1,963,213 |
| State Board of Optometry | 33,797 | 42,043 | 42,043 |
| State Board of Pharmacy | 1,169,415 | 1,566,035 | 1,763,016 |
| State Board of Podiatric Medicine | 16,965 | 20,669 | 20,669 |
| Missouri Real Estate Commission | 984,793 | 1,213,124 | 1,239,991 |
| Missouri Veterinary Medical Board | 73,092 | 109,579 | 109,579 |
| State Board of Cosmetology and Barbers | 240,201 | 292,273 | 292,273 |
| TOTAL | \$ 11,455,923 | \$ 13,890,120 | \$ 14,420,167 |
| Board Funds | 7,912,673 | 9,819,439 | 10,160,365 |
| Professional Registration Fees Fund | 3,543,250 | 4,070,681 | 4,259,802 |

PROFESSIONAL REGISTRATION

The Division of Professional Registration is responsible for supporting 39 professional licensing boards and commissions in licensing and regulating the activities of over 400,000 Missourians representing 240 different trades and professions. The division serves and protects the public by providing an accessible, responsible, and accountable regulatory system to ensure that Missouri consumers benefit from competent practitioners. Each licensing entity licenses qualified professionals by ensuring that minimum requirements have been met. In addition, each entity must also appropriately enforce standards through the inspection of facilities and the investigation of complaints.

Fiscal Year 2009 Governor's Recommendations

ADMINISTRATION

- \$100,468 Professional Registration Fees Fund and 1.5 staff to create the Board of Private Investigator Examiners.
- \$88,653 Professional Registration Fees Fund for pay plan.

STATE BOARD OF ACCOUNTANCY

- \$8,124 Board of Accountancy Fund for pay plan.

STATE BOARD OF ARCHITECTS, PROFESSIONAL ENGINEERS, AND LAND SURVEYORS

- \$10,948 State Board of Architects, Engineers, and Land Surveyors Fund for pay plan.

STATE BOARD OF CHIROPRACTIC EXAMINERS

Continue funding at the current level.

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

PROFESSIONAL REGISTRATION (CONTINUED)

MISSOURI DENTAL BOARD

- \$10,841 Dental Board Fund for pay plan.

STATE BOARD OF EMBALMERS AND FUNERAL DIRECTORS

Continue funding at the current level.

STATE BOARD OF REGISTRATION FOR THE HEALING ARTS

- \$52,293 Board of Registration for Healing Arts Fund for pay plan.
- \$4,704 Board of Registration for Healing Arts Fund for repositioning of the Board Medical Director pursuant to Personnel Advisory Board recommendations.

STATE BOARD OF NURSING

- \$30,168 Board of Nursing Fund for pay plan.

STATE BOARD OF OPTOMETRY

Continue funding at the current level.

STATE BOARD OF PHARMACY

- \$169,600 Board of Pharmacy Fund to create a well-being committee.
- \$27,381 Board of Pharmacy Fund for pay plan.

STATE BOARD OF PODIATRIC MEDICINE

Continue funding at the current level.

MISSOURI REAL ESTATE COMMISSION

- \$26,867 Missouri Real Estate Commission Fund for pay plan.
- Three staff to provide additional real estate examinations.

MISSOURI VETERINARY MEDICAL BOARD

Continue funding at the current level.

STATE BOARD OF COSMETOLOGY AND BARBERS

Continue funding at the current level.

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | FY 2009 REQUEST | GOVERNOR RECOMMENDS FY 2009 |
|---|------------------------|--------------------------|--------------------|-----------------------------------|
| Department Administration | \$ 8,363,575 | \$ 11,800,537 | \$ 21,420,335 | \$ 11,571,489 |
| Labor and Industrial Relations Commission | 818,835 | 1,011,399 | 962,695 | 987,581 |
| Division of Labor Standards | 1,732,100 | 3,135,658 | 3,121,840 | 3,188,944 |
| Division of Workers' Compensation | 82,114,971 | 79,680,254 | 85,747,389 | 85,989,024 |
| Division of Employment Security | 44,251,044 | 48,268,822 | 37,409,000 | 38,100,814 |
| State Board of Mediation | 0 | 0 | 118,535 | 119,675 |
| Commission on Human Rights | 1,536,772 | 1,704,683 | 1,723,645 | 1,769,730 |
| DEPARTMENTAL TOTAL | \$ 138,817,297 | \$ 145,601,353 | \$ 150,503,439 | \$ 141,727,257 |
| General Revenue Fund | 2,354,887 | 2,543,177 | 5,711,510 | 2,652,944 |
| Federal Funds | 3,206,889 | 4,894,027 | 2,493,151 | 2,672,556 |
| Tort Victims' Compensation Fund | 470,092 | 105,000 | 105,000 | 105,000 |
| Unemployment Compensation Administration Fund | 34,787,359 | 48,018,496 | 45,977,274 | 44,772,161 |
| Workers' Compensation Fund | 9,554,871 | 11,880,420 | 16,801,330 | 12,093,078 |
| Second Injury Fund | 66,087,716 | 60,506,625 | 76,250,000 | 76,250,000 |
| Crime Victims' Compensation Fund | 6,291,858 | 7,458,065 | 0 | 0 |
| War on Terror Unemployment Compensation Fund | 0 | 1,354,764 | 350,000 | 350,000 |
| Child Labor Enforcement Fund | 66,229 | 185,000 | 185,000 | 185,000 |
| Special Employment Security Bond Proceeds Fund | 0 | 1 | 1 | 1 |
| Special Employment Security Fund | 15,997,396 | 8,655,778 | 2,630,173 | 2,646,517 |
| Full-time equivalent employees | 854.77 | 958.41 | 865.96 | 865.96 |

DEPARTMENT SUMMARY

Governor Blunt's Fiscal Year 2009 budget provides a total of \$141.7 million for the Department of Labor and Industrial Relations. The department provides services that promote economic security and safe and healthy workplaces, and protect wage earners and individuals against discrimination. The core functions provided by the Department of Labor and Industrial Relations include:

- Processing and awarding payment of compensation to those who are unemployed, injured at work, or victims of crime.
- Assuring safe and healthy workplaces for Missouri employees through on-site inspections that identify hazards to be corrected in the workplace.
- Protecting wage earners and individuals against discrimination by improving workplace conditions and enforcing labor and anti-discrimination laws.

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

DEPARTMENT ADMINISTRATION

The Director's Office provides leadership and supervision in the areas of policy, operation, and interagency coordination/cooperation. Functions centralized within the Director's Office include: administrative services, financial management, human resources, legislative and public relations, research and analysis, and legal services.

Fiscal Year 2009 Governor's Recommendations

- \$147,854 increased transfer to the Department of Labor and Industrial Relations Administrative Fund for pay plan, including \$10,246 general revenue.
- \$3,300 other funds for pay plan.
- \$527,414 and .03 staff reallocated for realignment of the federal cost allocation plan, including \$19,033 general revenue.
- \$110,000 other funds and two staff reallocated from various divisions for oversight of information technology projects.
- (\$527,414) reallocated for realignment of the federal cost allocation plan, including (\$22,060) general revenue.
- (\$289,527) federal and other funds core reduction from the Fiscal Year 2008 appropriation level.
- (\$195,819) reallocated to various divisions to pay printing charges, including (\$40,678) general revenue.
- (\$4,856) transferred to the Office of Administration for information technology services.
- (.53) staff transferred to the Department of Public Safety pursuant to Executive Order 07-07 transferring the Crime Victims' Compensation Program.

LABOR AND INDUSTRIAL RELATIONS COMMISSION

The three-member Labor and Industrial Relations Commission reviews all appeals from all decisions and awards in workers' compensation, unemployment compensation, prevailing wage, victims of crime compensation, and tort victims' compensation cases at the highest administrative level. The commission conducts hearings and renders written opinions. The commission's opinions are subject to review by the judiciary. The commission has the responsibility of determining an appropriate bargaining unit of public employees, based on their community of interests and conducts secret ballot elections to determine majority status. The commission is also charged with the statutory authority to approve or disapprove all rules and regulations promulgated by the divisions within the department.

Fiscal Year 2009 Governor's Recommendations

- \$24,886 for pay plan, including \$373 general revenue.
- \$82,300 reallocated for realignment of the federal cost allocation plan, including \$9,814 general revenue.
- \$13,723 federal and other funds and .59 staff reallocated to realign the core budget.
- \$858 reallocated from Administration to pay printing charges, including \$4 general revenue.
- (\$82,300) and (.47) staff reallocated for realignment of the federal cost allocation plan, including (\$8,656) general revenue.
- (\$63,285) and (1.12) staff reallocated to the State Board of Mediation.
- (One) staff core reduction from the Fiscal Year 2008 appropriation level.

DIVISION OF LABOR STANDARDS

State statutes require the Division of Labor Standards to assure the safety and health of Missouri workers. To reduce deaths and disabling injuries, staff conduct regular and special on-site inspections of businesses, industries, and commercial mines and caves. To ensure compliance with statutory provisions governing wage rates for public works projects, the division surveys prevailing wage rates for laborers, mechanics, and other workers employed in the construction industry. The division conducts on-site inspections to assure compliance with Missouri's Child Labor Law. Also, the division provides safety and health training classes for mine operators and miners. All miners, whether surface or underground, are required by federal law to complete a minimum number of hours in training before beginning work and annually thereafter. The division provides on-site safety and health consultations to businesses and industrial facilities by qualified professional consultants to identify serious hazards and recommend means for eliminating them. Private employers are not charged for this service. The division performs these consultations upon employer requests.

Fiscal Year 2009 Governor's Recommendations

- \$67,104 for pay plan, including \$31,269 general revenue.
- \$23,190 reallocated from Administration to pay printing charges, including \$21,712 general revenue.
- (\$35,206) Workers' Compensation Fund and (3.5) staff core reduction from the Fiscal Year 2008 appropriation level.
- (\$1,802) transferred to the Office of Administration for facility costs.

**DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
DIVISION OF WORKERS' COMPENSATION**

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDS FY 2009 |
|--------------------------------------|------------------------|--------------------------|-----------------------------------|
| Administration | \$ 7,740,069 | \$ 9,449,028 | \$ 9,639,024 |
| Second Injury Benefits | 66,087,716 | 60,506,625 | 76,250,000 |
| Crime Victims' Administration | 288,068 | 424,601 | 0 |
| Crime Victims' Compensation Benefits | 7,529,118 | 9,200,000 | 0 |
| Tort Victims' Compensation Payments | 470,000 | 100,000 | 100,000 |
| TOTAL | \$ 82,114,971 | \$ 79,680,254 | \$ 85,989,024 |
| Federal Funds | 1,591,408 | 2,262,671 | 0 |
| Tort Victims' Compensation Fund | 470,092 | 105,000 | 105,000 |
| Workers' Compensation Fund | 7,739,977 | 9,422,428 | 9,634,024 |
| Second Injury Fund | 66,087,716 | 60,506,625 | 76,250,000 |
| Crime Victims' Compensation Fund | 6,225,778 | 7,383,530 | 0 |

DIVISION OF WORKERS' COMPENSATION - ADMINISTRATION

The Division of Workers' Compensation processes all reports of job-related injuries and formal claims for compensation filed with the division under the "Missouri Workers' Compensation Law." The division also resolves disputed issues between an employee and employer/insurer through mediation and/or evidentiary hearings conducted by its administrative law judges. The division administers the rehabilitation of seriously injured workers, resolves disputes concerning the reasonableness of medical fees and charges, reviews and approves applications by employers or group trusts for self-insurance authority, and investigates allegations of workers' compensation fraud and noncompliance.

Fiscal Year 2009 Governor's Recommendations

- \$241,635 Workers' Compensation Fund for pay plan.
- \$24,961 Workers' Compensation Fund reallocated from Administration to pay printing charges.
- (\$55,000) Workers' Compensation Fund and (one) staff reallocated to Administration for oversight of information technology projects.
- (\$21,600) Crime Victims' Compensation Fund transferred to the Department of Public Safety pursuant to Executive Order 07-07 transferring the Crime Victims' Compensation Program.
- (Two) staff core reduction from the Fiscal Year 2008 appropriation level.

SECOND INJURY FUND

The Second Injury Fund is designed to compensate an injured employee when a current work-related injury combines with any prior injury that creates an increased combined disability. For example, if an injured employee has a 15 percent disability from the current work-related injury and a 15 percent disability from the prior injury, and the combined disability is 40 percent, the fund pays for the increased disability. The fund is also responsible for payment of medical bills for injured employees when the employer fails to insure its workers' compensation liability. In addition, if the employee is killed, burial expenses and death benefits in the form of weekly payments to the surviving spouse or dependents of the employee are paid from the fund. The fund also provides benefits to injured employees undergoing physical rehabilitation. For injuries taking place after August 28, 1998, the fund also provides second job lost wage benefits.

Fiscal Year 2009 Governor's Recommendations

- \$15,743,375 Second Injury Fund for payment of claims.

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

DIVISION OF WORKERS' COMPENSATION (Continued)

CRIME VICTIMS' ADMINISTRATION

The Crime Victims' Administration Unit was established to investigate all claims by victims of crime which are filed with the division in order to determine eligibility under the statute and the amount of losses incurred. The unit fulfills these responsibilities by processing and investigating claims and awarding or denying compensation.

Fiscal Year 2009 Governor's Recommendations

- (\$424,601) federal and other funds and (nine) staff transferred to the Department of Public Safety pursuant to Executive Order 07-07 transferring the Crime Victims Compensation Program.

CRIME VICTIMS' COMPENSATION BENEFITS

The Crime Victims' Compensation Program processes and awards benefits to eligible victims of violent crimes. Crime Victims' Compensation benefits are available to individuals who, through no fault of their own, find themselves victimized by violent crimes. Since benefits are only paid to recover expenditures made or wages lost as a result of their victimization, benefit recipients do not profit from the criminal violation. State funding to pay benefits is derived from a combination of court fees assessed in criminal cases and fines levied against individuals convicted of criminal activity. Federal grant dollars are also awarded based on the state's prior year expenditure for benefits.

Fiscal Year 2009 Governor's Recommendations

- (\$9,200,000) federal and other funds transferred to the Department of Public Safety pursuant to Executive Order 07-07 transferring the Crime Victims' Compensation Program.

TORT VICTIMS' COMPENSATION PAYMENTS

The Tort Victims' Compensation Fund provides benefits to individuals who have received a final monetary judgment in a civil case but who have been unable to collect all, or part of, the judgment entered against the defendant. Funding is provided from the Tort Victims' Compensation Fund. The fund's exclusive revenue source is 50 percent of all punitive damage awards entered in civil cases in Missouri. Of this amount, 74 percent is used to pay victims.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

**DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
DIVISION OF EMPLOYMENT SECURITY**

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDS FY 2009 |
|--|------------------------|--------------------------|-----------------------------------|
| Administration | \$ 22,903,604 | \$ 31,458,279 | \$ 28,360,946 |
| Special Employment Security Fund | 15,904,395 | 8,455,778 | 2,389,867 |
| War on Terror Unemployment Compensation Program | 0 | 1,354,764 | 350,000 |
| Employment and Training Payments | 5,443,045 | 7,000,000 | 7,000,000 |
| Board of Unemployment Fund Financing Bond Proceeds | 0 | 1 | 1 |
| TOTAL | \$ 44,251,044 | \$ 48,268,822 | \$ 38,100,814 |
| Federal Funds | 28,346,649 | 38,458,279 | 35,360,946 |
| War on Terror Unemployment Compensation Program | 0 | 1,354,764 | 350,000 |
| Special Employment Security Bond Proceeds Fund | 0 | 1 | 1 |
| Special Employment Security Fund | 15,904,395 | 8,455,778 | 2,389,867 |

DIVISION OF EMPLOYMENT SECURITY - ADMINISTRATION

The Division of Employment Security is responsible for determining employer liability, collecting unemployment compensation taxes from Missouri liable employers, paying unemployment benefits to eligible claimants, maintaining wage records of Missouri workers, and investigating cases involving possible fraud and benefit overpayments.

Fiscal Year 2009 Governor's Recommendations

- \$677,120 federal funds for pay plan.
- \$127,848 federal funds reallocated from Administration to pay printing charges.
- (\$3,843,584) federal funds and (73) staff core reduction from the Fiscal Year 2008 appropriation level.
- (\$55,000) federal funds and (one) staff reallocated to Administration for oversight of information technology projects.
- (\$3,717) federal funds reallocated to the Labor and Industrial Relations Commission.

SPECIAL EMPLOYMENT SECURITY FUND

The Special Employment Security Fund is derived from interest and penalties collected under the provisions of the Missouri Employment Security Law. Expenditures from this fund are made in accordance with Section 288.310, RSMo, which includes refunds of overcollected interest and penalties and administrative expenses of the division not covered by the federal grant. The fund may also be used to acquire suitable office space for the division. Section 288.128, RSMo, provides for federal interest assessments on Title XII advances to the Unemployment Trust Fund to be deposited into this fund until payment to the federal government is made.

Fiscal Year 2009 Governor's Recommendations

- \$14,694 Special Employment Security Fund for pay plan.
- (\$6,000,000) Special Employment Security Fund core reduction from the Fiscal Year 2008 appropriation level.
- (\$80,605) Special Employment Security Fund transferred to the Office of Administration for leasing costs.

WAR ON TERROR UNEMPLOYMENT COMPENSATION PROGRAM

The War on Terror Unemployment Compensation Program provides enhanced unemployment benefits to veterans of the War on Terror who have been dismissed or demoted as a result of being deployed. Benefits are paid out of the War on Terror Unemployment Compensation Fund, which consists of administrative penalties paid by employers found in violation of the statutory provisions.

Fiscal Year 2009 Governor's Recommendations

- (\$1,004,764) War on Terror Unemployment Compensation Fund and (1.5) staff core reduction from the Fiscal Year 2008 appropriation level.

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

DIVISION OF EMPLOYMENT SECURITY (Continued)

EMPLOYMENT AND TRAINING PAYMENTS

The Division of Employment Security operates employment and training programs authorized and funded by the U.S. Department of Labor as authorized by the North American Free Trade Agreement (NAFTA) and the Trade Adjustment Assistance (TAA) programs. The division contracts with the Division of Workforce Development and others to provide a full range of services. Services include referral to employer job openings, job readiness skills training, referral to classroom or employer training, as well as payment of support services such as transportation, subsistence, and relocation allowances.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

BOARD OF UNEMPLOYMENT FUND FINANCING

The Board of Unemployment Fund Financing has authority to borrow up to \$450 million in credit instruments or financial agreements to fund the Unemployment Compensation Trust Fund in accordance with Sections 288.310, 288.330, and 288.128, RSMo.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

STATE BOARD OF MEDIATION

The State Board of Mediation is a quasi-judicial board created by an act of the General Assembly in 1947 to mediate public utility disputes. Since 1967, the board has been charged with the responsibility of determining appropriated bargaining units of public employees. It also conducts secret ballot elections to determine exclusive bargaining agent status. The board retains the authority to mediate disputes in the area of public utilities regarding wages and working conditions.

Fiscal Year 2009 Governor's Recommendations

- \$65,256 and one staff to re-establish the State Board of Mediation.
- \$1,140 for pay plan.
- \$53,279 and one staff reallocated from the Labor and Industrial Relations Commission.

MISSOURI COMMISSION ON HUMAN RIGHTS

The statutory mandate of the Missouri Commission on Human Rights (MCHR) is to prevent and eliminate discrimination as prohibited by the Missouri Human Rights Act. The act requires the MCHR to receive, investigate, and resolve complaints of alleged discrimination in the areas of housing, employment, and public accommodations due to race, color, religion, national origin, ancestry, sex, disability, or age (in employment only) and familial status (in housing only). Through its education and outreach program, the MCHR reduces intergroup conflict and discourages illegal discrimination.

Fiscal Year 2009 Governor's Recommendations

- \$46,085 for pay plan, including \$20,016 general revenue.
- \$18,962 reallocated from Administration to pay printing charges.
- (2.92) staff core reduction from the Fiscal Year 2008 appropriation level.
- (.03) staff reallocated to Administration for realignment of the federal cost allocation plan.

DEPARTMENT OF PUBLIC SAFETY

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | FY 2009 REQUEST | GOVERNOR RECOMMENDS FY 2009 |
|---|------------------------|--------------------------|--------------------|-----------------------------------|
| Office of the Director | \$ 30,070,251 | \$ 34,485,540 | \$ 50,390,139 | \$ 78,001,689 |
| Facility Services | 7,079,459 | 0 | 0 | 0 |
| Capitol Police | 1,367,077 | 1,649,418 | 1,867,418 | 1,908,283 |
| State Highway Patrol | 196,039,790 | 232,700,315 | 246,651,594 | 250,778,868 |
| State Water Patrol | 8,611,231 | 10,193,342 | 10,793,342 | 11,002,203 |
| Division of Alcohol and Tobacco Control | 3,064,398 | 3,381,524 | 3,956,828 | 3,514,223 |
| Division of Fire Safety | 3,013,094 | 3,696,953 | 4,165,862 | 4,239,964 |
| Missouri Veterans' Commission | 63,877,318 | 77,690,247 | 75,225,984 | 76,299,438 |
| Missouri Gaming Commission | 20,437,439 | 24,905,493 | 24,905,493 | 25,290,115 |
| Adjutant General | 145,206,463 | 77,381,171 | 79,268,392 | 78,058,141 |
| DEPARTMENTAL TOTAL | \$ 478,766,520 | \$ 466,084,003 * | \$ 497,225,052 | \$ 529,092,924 |
| General Revenue Fund | 63,648,693 | 75,062,497 | 89,383,280 | 96,046,994 |
| Federal Funds | 170,013,548 | 112,363,977 | 114,481,151 | 131,825,325 |
| Gaming Commission Fund | 21,264,082 | 26,003,184 | 26,018,447 | 26,406,990 |
| Missouri Veterans' Homes Fund | 35,287,363 | 39,866,846 | 40,091,846 | 42,229,582 |
| State Highways and Transportation | | | | |
| Department Fund | 155,910,524 | 165,858,336 | 170,570,556 | 173,979,887 |
| Other Funds | 32,642,310 | 46,929,163 | 56,679,772 | 58,604,146 |
| Full-time equivalent employees | 4,805.35 | 5,036.51 | 5,055.98 | 5,024.73 |

* Does not include \$4,855,886 recommended in the Fiscal Year 2008 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the Department of Public Safety supplemental appropriations.

DEPARTMENT SUMMARY

Governor Blunt's Fiscal Year 2009 budget provides a total of \$529.1 million for the Department of Public Safety. The department provides citizens with round-the-clock service on land, water, and by air. The core functions provided by the Department of Public Safety include:

- Enforcing laws on state roads and waterways.
- Combating the manufacturing and sale of illegal drugs, such as methamphetamine.
- Supporting local law enforcement agencies.
- Assisting victims of crime and crime victim advocacy organizations, such as domestic violence shelters.
- Promoting fire safety.
- Deterring underage consumption of alcohol and tobacco.
- Preparing for and responding to disasters.
- Maintaining National Guard units at a high state of readiness so they are prepared to respond when called to active duty.
- Providing assistance and care for veterans.
- Regulating riverboat gaming.

DEPARTMENT OF PUBLIC SAFETY

OFFICE OF THE DIRECTOR/CRIMINAL JUSTICE PROGRAMS UNIT

The Director's Office provides the central budgeting, finance, and personnel control to ensure efficient use of available resources. Staff members plan, review, and evaluate programs to coordinate the state's public safety and law enforcement efforts and to promote cooperation among local, state, and federal agencies. In addition, the criminal justice unit oversees the implementation of programs relating to juvenile justice, peace officer standards, forensic laboratories, narcotics control, crime victims assistance and Internet sex crime investigation.

Fiscal Year 2009 Governor's Recommendations

- \$20,886,751 for federal interoperability grants, including \$3,421,175 general revenue.
- \$7,650,000 to begin implementation of a statewide interoperable communication system.
- \$2,000,000 to replace lost federal funding for grants for multi-jurisdictional drug task forces.
- \$2,000,000 for a student safety project at Missouri Southern State University.
- \$1,000,000 to replace federal funds no longer available for homeland security response teams.
- \$250,000 to increase grants to internet sex crimes task forces.
- \$53,000 and one staff to replace lost federal funding for the Missouri Information Analysis Center.
- \$74,799 for pay plan, including \$33,291 general revenue.
- \$9,678,529 federal and other funds and 9.53 staff transferred from the Department of Labor and Industrial Relations to relocate the Crime Victims Compensation Program pursuant to Executive Order 07-07.
- \$146,070 federal funds and 1.47 staff reallocated from various divisions.
- (\$170,000) core reduction for one-time expenditures.
- (\$53,000) federal funds and (one) staff core reduction from the Fiscal Year 2008 appropriation level.

CAPITOL POLICE

The Capitol Police are responsible for security at the Capitol and other facilities occupied by state agencies throughout Jefferson City.

Fiscal Year 2009 Governor's Recommendations

- \$228,000 and 1.5 staff for increased Capitol Police and contracted security coverage in the Capitol Complex.
- \$40,865 for pay plan.
- (\$10,000) core reduction for one-time expenditures.

**DEPARTMENT OF PUBLIC SAFETY
STATE HIGHWAY PATROL**

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDS FY 2009 |
|--|------------------------|--------------------------|-----------------------------------|
| Administration | \$ 7,794,176 | \$ 7,499,454 | \$ 7,506,094 |
| Fringe Benefits | 55,386,455 | 60,786,692 | 63,639,131 |
| Enforcement | 92,243,862 | 111,132,063 | 122,101,176 |
| Crime Laboratory | 6,754,751 | 12,032,057 | 10,411,160 |
| Law Enforcement Academy | 1,866,126 | 2,527,204 | 2,511,219 |
| Vehicle and Driver Safety | 9,687,486 | 11,274,761 | 11,890,916 |
| Technical Services | 22,306,934 | 27,448,084 | 32,719,172 |
| DEPARTMENT TOTAL | \$ 196,039,790 | \$ 232,700,315 | \$ 250,778,868 |
| General Revenue Fund | 13,816,932 | 19,475,337 | 26,520,282 |
| Federal Funds | 9,790,334 | 21,178,580 | 21,666,263 |
| Gaming Commission Fund | 797,625 | 1,242,210 | 1,263,780 |
| State Highways and Transportation Department Fund | 155,159,738 | 165,858,336 | 173,979,887 |
| Other Funds | 16,475,161 | 24,945,852 | 27,348,656 |

STATE HIGHWAY PATROL

ADMINISTRATION

This section includes the administrative, planning, fiscal, and support activities of the Highway Patrol.

Fiscal Year 2009 Governor's Recommendations

- \$957,471 and ten staff to realign the core budget.
- \$133,697 for pay plan, including \$724 general revenue.
- (\$957,471) State Highways and Transportation Department Fund and (ten) staff core reductions from the Fiscal Year 2008 appropriation level.
- (\$121,454) State Highways and Transportation Department Fund and (one) staff reallocated to various divisions.
- (\$5,603) State Highways and Transportation Department Fund core reduction for mailroom consolidation from the Fiscal Year 2008 appropriation level.

FRINGE BENEFITS

Employer retirement contributions, health insurance, and workers' compensation insurance for Highway Patrol employees are paid by the state in a separate appropriation made for those purposes. The amount of the retirement payment is determined by the Board of Trustees of the Highway Employees and Highway Patrol Retirement System.

Fiscal Year 2009 Governor's Recommendations

- \$2,864,468 for new employee fringe benefits, including \$1,897,579 general revenue.
- \$1,358,301 federal and other funds for fringe benefit increases.
- (\$1,370,330) federal and other funds core reductions from the Fiscal Year 2008 appropriation level.

DEPARTMENT OF PUBLIC SAFETY

STATE HIGHWAY PATROL (Continued)

ENFORCEMENT

The primary activity of this section is the patrolling of more than 122,000 miles of public roadways to ensure the safe and orderly flow of traffic. The Enforcement Division also performs undercover investigations, assists local law enforcement agencies, provides access to the Missouri Uniform Law Enforcement System, performs criminal background checks, and maintains a statewide system of commercial motor vehicle weigh stations.

Fiscal Year 2009 Governor's Recommendations

- \$2,625,000 State Highways and Transportation Department Fund to replace radar units in all road patrol vehicles.
- \$2,620,000 for overtime payments due to the requirements of Section 290.505, RSMo, including \$620,000 general revenue.
- \$1,190,000 Criminal Record System Fund to implement a two-finger fast ID fingerprint system.
- \$1,000,000 federal and other funds to develop a palmprint database.
- \$305,919 and three staff for immigration enforcement.
- \$409,500 federal and other funds for mandatory aircraft maintenance and training.
- \$318,600 Criminal Record System Fund to purchase livescan devices for each troop headquarters.
- \$300,000 Federal Drug Seizure Fund for an infrared imaging system for aircraft.
- \$274,500 Highway Patrol Traffic Records Fund to provide additional resources for accident reporting and investigations.
- \$253,050 for federal immigration and customs training.
- \$184,548 and five staff to replace federal funding for the Missouri Information Analysis Center.
- \$130,000 Federal Drug Seizure Fund to purchase two firearms training simulators.
- \$125,000 to realign the core budget.
- \$120,550 Criminal Record System Fund to provide MULES training to law enforcement agencies across the state.
- \$79,000 Federal Drug Seizure Fund for personal protection breath device testing equipment.
- \$65,287 for phase III of the three-year phase in of the full service Crime Laboratory in Springfield, including \$26,115 general revenue.
- \$32,438 federal and other funds to purchase tasers for officers assigned to the Gaming Commission.
- \$25,000 to provide additional resources to Highway Patrol SWAT teams, including \$20,000 general revenue.
- \$2,252,666 for pay plan, including \$278,535 general revenue.
- \$67,270 State Highways and Transportation Department Fund and one staff reallocated from Highway Patrol Administration.
- (\$953,200) core reduction for one-time expenditures, including (\$87,960) general revenue.
- (\$309,548) federal and other funds and (five) staff core reduction from the Fiscal Year 2008 appropriation level.
- (\$53,000) federal funds and (one) staff reallocated to the Office of the Director.
- (\$31,879) Highway Patrol Traffic Records Fund and (.5) staff reallocated to Technical Services.
- (\$31,750) Gaming Commission Fund and (one) staff reallocated to Highway Patrol Administration.
- (\$29,738) other funds transferred to the Office of Administration for leasing costs.
- (\$100) State Highways and Transportation Department Fund reallocated to align the core budget.

CRIME LABORATORY

The Missouri State Highway Patrol Crime Laboratory is a nationally accredited crime lab system that provides state-of-the-art forensic science services to all local, state, and federal law enforcement agencies. Services provided include the forensic specialties of controlled substance, DNA, trace evidence, firearms, toolmarks, toxicology, and latent fingerprint examination.

Fiscal Year 2009 Governor's Recommendations

- \$800,000 for crime laboratory equipment, including \$400,000 general revenue.
- \$510,932 and seven staff for phase III of the three-year phase in of the full service crime laboratory in Springfield, including \$404,316 general revenue.
- \$145,287 and two staff to realign the core budget.
- \$18,000 to provide sexual assault evidence kits to health care providers as required in HB 583 (2007).
- \$162,869 for pay plan, including \$51,344 general revenue.
- (\$2,000,000) federal funds reallocated to Technical Services.
- (\$922,985) federal and other funds and (two) staff core reduction from the Fiscal Year 2008 appropriation level.
- (\$335,000) core reduction for one-time expenditures, including (\$20,000) general revenue.

DEPARTMENT OF PUBLIC SAFETY

STATE HIGHWAY PATROL (Continued)

LAW ENFORCEMENT ACADEMY

The academy provides basic training to police officers in all agencies outside St. Louis and Jackson counties. The academy also provides administrative and specialized training to police officers from all counties.

Fiscal Year 2009 Governor's Recommendations

- \$156,210 and two staff to realign the core budget.
- \$44,015 for pay plan, including \$137 general revenue.
- (\$156,210) State Highways and Transportation Department Fund and (two) staff core reduction from the Fiscal Year 2008 appropriation level.
- (\$60,000) State Highways and Transportation Department Fund core reduction for one-time expenditures.

VEHICLE AND DRIVER SAFETY

This section evaluates drivers and vehicles to identify and remove those unfit to be on Missouri roadways. Over 4,900 inspection stations and approximately 23,300 inspector mechanics throughout the state are supervised. The section also maintains over 140 driver examination stations throughout the state.

Fiscal Year 2009 Governor's Recommendations

- \$298,093 State Highways and Transportation Department Fund and six staff for additional driver examiners in the St. Charles, Rolla, and Springfield/Branson areas.
- \$69,580 State Highways and Transportation Department Fund to provide additional resources to drivers' examination staff.
- \$292,422 State Highways and Transportation Department Fund for pay plan.
- (\$43,940) State Highways and Transportation Department Fund core reduction for one-time expenditures.

TECHNICAL SERVICES

This section develops and processes comprehensive criminal offender data, traffic record data, and administrative data. The database is used to respond to inquiries and for analysis of the criminal justice and traffic systems to plan for effective law enforcement. This section also operates the statewide Missouri Uniform Law Enforcement System (MULES).

Fiscal Year 2009 Governor's Recommendations

- \$1,350,000 State Highways and Transportation Department Fund to begin implementation of a statewide interoperable communication system.
- \$1,216,765 and 19 staff to realign the core budget.
- \$937,000 State Highways and Transportation Department Fund to begin a replacement cycle for mobile computers in patrol cars.
- \$480,924 to update computer software, including \$58,072 general revenue.
- \$192,000 State Highways and Transportation Department Fund for increased data usage charges.
- \$143,300 Criminal Record System Fund to develop an automated sex offender notification system.
- \$21,900 for immigration enforcement.
- \$16,000 State Highways and Transportation Department Fund for updates and maintenance of the Highway Patrol vehicle tracking software.
- \$362,051 for pay plan, including \$11,933 general revenue.
- \$2,000,000 federal funds reallocated from the Criminal Laboratory.
- \$86,034 State Highways and Transportation Department Fund and one staff reallocated from Administration.
- \$31,879 Highway Patrol Traffic Records Fund and .5 staff reallocated from the Enforcement Division.
- (\$1,216,765) State Highways and Transportation Department Fund and (19) staff core reduction from the Fiscal Year 2008 appropriation level.
- (\$350,000) other funds core reduction for one-time expenditures.

DEPARTMENT OF PUBLIC SAFETY

STATE WATER PATROL

The primary task of the State Water Patrol is to ensure that Missouri citizens and tourists enjoy state waterways in safety through enforcement of water safety laws. This is accomplished by patrolling 626,081 acres of recreational waters in the state. Water Patrol officers provide boating safety education, boat inspection services, and enforce state and federal laws relating to water safety.

Fiscal Year 2009 Governor's Recommendations

- \$600,000 Missouri State Water Patrol Fund to begin an equipment replacement schedule.
- \$214,677 for pay plan, including \$152,086 general revenue.
- (\$5,816) transferred to the Office of Administration for leasing operations.

DIVISION OF ALCOHOL AND TOBACCO CONTROL

The Division of Alcohol and Tobacco Control administrative staff review all liquor license applications and reported liquor and tobacco violations. The staff develops facts regarding reported violations in pre-hearing conferences and formal hearings before the supervisor, and, depending on the outcome of hearings, issues citations.

The audit and collection staff reviews beer, wine, and liquor transactions to ensure that all revenues due to the state are collected. The program also ensures fair competition among liquor wholesalers by monitoring actual prices charged for various classes and types of beverages against price schedules for such products.

The enforcement program ensures that liquor licenses are issued only to qualified applicants on approved premises. Agents conduct inspections and investigate complaints received on violations of alcohol and tobacco control laws. Reports are filed with local authorities and the supervisor of Alcohol and Tobacco Control for review and appropriate action.

Fiscal Year 2009 Governor's Recommendations

- \$49,632 and one staff to implement the direct wine shipping required by SB 299 (2007).
- \$83,067 for pay plan, including \$70,571 general revenue.

DIVISION OF FIRE SAFETY

Division of Fire Safety staff investigates the causes of fires and explosions. Investigators assist in case development and, when necessary, work with local law enforcement authorities to prosecute persons accused of arson. Inspection activities concentrate on fire prevention evaluations. Inspectors evaluate nursing homes that are used for state mental health patients, patient care facilities operated by the Department of Mental Health, day care facilities licensed by the state, senior citizen nutrition and recreation centers, and other public facilities. The division also administers a Public Boiler and Pressure Vessel Safety Inspection Program, Elevator Safety Program, Amusement Ride Safety Program, conducts fireworks industry inspections, and provides firefighter training throughout the state.

Fiscal Year 2009 Governor's Recommendations

- \$218,126 and four staff to implement the Fire Sprinkler Inspection Program as required by HB 952 (2007).
- \$168,537 Missouri Explosives Safety Act Administration Fund and three staff to begin the Blasting Safety Program as required by HB 298 (2007).
- \$100,000 for contracted firefighter training.
- \$74,102 for pay plan, including \$56,856 general revenue.
- (\$17,754) core reduction for one-time expenditures.

**DEPARTMENT OF PUBLIC SAFETY
MISSOURI VETERANS' COMMISSION**

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDS FY 2009 |
|--|------------------------|--------------------------|-----------------------------------|
| Administration and Service to Veterans | \$ 4,226,455 | \$ 4,639,978 | \$ 5,196,863 |
| Veterans' Service Officer Program | 750,000 | 750,000 | 1,000,000 |
| Veterans' Homes | 57,305,365 | 69,942,834 | 67,674,417 |
| Veterans' Homes Overtime | 1,595,498 | 2,357,435 | 2,428,158 |
| DEPARTMENT TOTAL | \$ 63,877,318 | \$ 77,690,247 | \$ 76,299,438 |
| General Revenue Fund | 26,282,542 | 35,401,920 | 31,007,193 |
| Veterans' Commission CI Trust Fund | 2,239,505 | 2,344,180 | 2,985,362 |
| Missouri Veterans' Homes Fund | 35,287,363 | 39,866,846 | 42,229,582 |
| Veterans' Trust Fund | 67,908 | 77,301 | 77,301 |

MISSOURI VETERANS' COMMISSION

The commission has four components: administration, which oversees programs and maintains central files; the Missouri veterans' homes at St. James, Mexico, Mt. Vernon, Cape Girardeau, St. Louis, Cameron, and Warrensburg, which care for Missouri veterans; the Missouri veterans' cemeteries at Higginsville, Springfield, Jacksonville, and Bloomfield; and the Service to Veterans' Program, which assists veterans in applying for U.S. Veterans Administration pensions and other benefits.

Fiscal Year 2009 Governor's Recommendations

- \$966,170 Missouri Veterans' Homes Fund for increased pharmaceutical costs at veterans homes.
- \$399,900 to implement the Personnel Advisory Board Recommendation for repositioning of certain critical employee classifications, including \$100,650 general revenue.
- \$362,653 Veterans' Commission Capital Improvement Trust Fund and 4.25 staff for the first phase of the operations of the new veterans' cemetery in Fort Leonard Wood.
- \$250,000 Veterans' Commission Capital Improvement Trust Fund for additional veterans' service officer grants.
- \$50,000 to provide additional resources for the veterans' ombudsman.
- \$40,555 and one staff for a veterans service officer to focus on women's issues.
- \$1,541,890 for pay plan, including \$416,045 general revenue.
- (\$5,000,000) core reduction for one-time expenditures.
- (\$1,977) core reduction for mailroom consolidation from the Fiscal Year 2008 appropriation level.

MISSOURI GAMING COMMISSION

Senate Bill 10 (1993) established the Gaming Commission, which was granted regulatory authority over riverboat gambling and bingo. The five members of the Gaming Commission are appointed by the Governor with the advice and consent of the Senate.

Fiscal Year 2009 Governor's Recommendations

- \$384,622 Gaming Commission Fund for pay plan.

**DEPARTMENT OF PUBLIC SAFETY
ADJUTANT GENERAL**

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDS FY 2009 |
|--|------------------------|--------------------------|-----------------------------------|
| Administration | \$ 1,324,278 | \$ 1,391,193 | \$ 1,428,178 |
| National Guard Trust Fund Program | 3,773,264 | 5,156,739 | 5,441,929 |
| Veterans' Recognition Program | 68,612 | 625,423 | 628,021 |
| Field Support | 1,425,321 | 1,458,659 | 1,482,438 |
| Missouri Military Family Relief Program | 27,809 | 200,000 | 400,000 |
| Contract Services | 15,016,551 | 18,530,121 | 17,694,743 |
| Office of Air Search & Rescue | 14,976 | 16,978 | 16,978 |
| State Emergency Management Agency (SEMA) | 123,555,652 | 50,002,058 | 50,965,854 |
| DEPARTMENT TOTAL | \$ 145,206,463 | \$ 77,381,171 | \$ 78,058,141 |
| General Revenue Fund | 6,820,753 | 4,795,617 | 6,009,864 |
| Federal Funds | 133,331,115 | 65,195,721 | 64,265,564 |
| Missouri National Guard Trust Fund | 4,015,512 | 5,387,988 | 5,673,178 |
| Other Funds | 1,039,083 | 2,001,845 | 2,109,535 |

ADJUTANT GENERAL

ADMINISTRATION

This section provides administrative support for the Missouri National Guard, including the functions of command communication, logistical assistance, finance, and budgeting. The Adjutant General is the military chief of staff to the commander-in-chief (Governor). The Adjutant General is also the administrative head of the military forces, which include Army and Air National Guard elements assigned to the state by the federal government.

Fiscal Year 2009 Governor's Recommendations

- \$36,985 for pay plan.
- One staff reallocated from the Office of the Director.

NATIONAL GUARD TRUST FUND PROGRAM

HB 1519 (1998) established the Missouri National Guard Trust Fund and permitted income tax check-off contributions to be deposited in the fund. Grants, gifts, and bequests may also be deposited in the fund. In the absence of specific requirements attached to fund donations, the Office of the Adjutant General may, subject to appropriation, expend the funds for any lawful purpose in support of the Guard.

Fiscal Year 2009 Governor's Recommendations

- \$250,000 Missouri National Guard Trust Fund to ensure continued operation of the Missouri Military Honors Detail Program and to provide resources for the National Guard Tuition Assistance Program.
- \$35,190 Missouri National Guard Trust Fund for pay plan.

VETERANS' RECOGNITION PROGRAM

The Veterans' Recognition Program was first established in 2000 with the creation of the World War II Veterans' Recognition Award. During the 2003 legislative session, the Korean Conflict Medallion Program was established. The Vietnam War Medallion Program was established by HB 978 in 2006. Veterans serving on active duty between February 28, 1961 and May 7, 1975 are entitled to receive a medallion, medal, and certificate of appreciation.

Fiscal Year 2009 Governor's Recommendations

- \$2,598 Veterans' Commission Capital Improvement Trust Fund for pay plan.

DEPARTMENT OF PUBLIC SAFETY

ADJUTANT GENERAL (Continued)

FIELD SUPPORT

The field support section supports the operational needs of Missouri National Guard facilities located throughout the state. This section includes maintenance and operation of 62 armories and 629 buildings in 64 Missouri communities.

Fiscal Year 2009 Governor's Recommendations

- \$23,779 for pay plan, including \$22,765 general revenue.

MISSOURI MILITARY FAMILY RELIEF PROGRAM

Families of persons who are members of the Missouri National Guard or Missouri residents who are members of the reserve forces of the United States and have been called to active duty as a result of the terrorist attacks of September 11, 2001 are eligible for grants through this program. This program will be funded in its entirety from donations and income tax contributions designated on Missouri income tax returns.

Fiscal Year 2009 Governor's Recommendations

- \$100,000 Missouri Military Family Relief Fund to provide additional support for military families.
- \$100,000 to provide additional funding for the Missouri Military Family Relief Program.

CONTRACT SERVICES

This section provides funding for contractual agreements between the federal and state government related to maintenance and security of National Guard installations.

Fiscal Year 2009 Governor's Recommendations

- \$360,031 for pay plan, including \$16,491 general revenue.
- (\$1,102,339) federal funds and (49.06) staff core reduction from the Fiscal Year 2008 appropriation level.
- (\$93,070) federal funds and (1.47) staff reallocated to the Office of the Director.

OFFICE OF AIR SEARCH AND RESCUE

The Office of Air Search and Rescue provides emergency services utilizing the efforts of professionally trained pilots, communications specialists, and emergency support personnel. The office works in cooperation with state and federal agencies, the Civil Air Patrol, and public and private hospitals to provide emergency services, rescue operations, mercy missions, aerial observations, and emergency communications to anyone in immediate need of these specialized services.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

STATE EMERGENCY MANAGEMENT AGENCY

The State Emergency Management Agency develops policies and procedures that help protect citizens in times of disaster. The agency is charged with the task of preparing and periodically updating plans to manage and control the state's resources in emergency situations. Once disaster strikes, the agency administers federal assistance to disaster areas and coordinates efforts to aid individuals, protect property, and restore essential utilities and structures. A state emergency operations center also is maintained to serve as the control center for state government should emergency situations arise.

Fiscal Year 2009 Governor's Recommendations

- \$999,999 to more accurately reflect the spending amount in matching funds for federal disaster and emergency disaster assistance.
- \$76,929 for pay plan, including \$39,730 general revenue.
- (\$110,610) federal funds and (three) staff core reduction from Fiscal Year 2008 appropriation level.
- (\$2,522) core reduction for mailroom consolidation from the Fiscal Year 2008 appropriation level, including (\$1,723) general revenue.

DEPARTMENT OF CORRECTIONS

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | FY 2009 REQUEST | GOVERNOR RECOMMENDS FY 2009 |
|--|------------------------|--------------------------|--------------------|-----------------------------------|
| Office of the Director | \$ 110,840,743 | \$ 83,408,123 | \$ 84,684,065 | \$ 82,144,831 |
| Facility Services | 12,211 | 0 | 0 | 0 |
| Division of Human Services | 11,200,683 | 11,789,463 | 14,249,342 | 12,228,812 |
| Division of Adult Institutions | 253,569,281 | 269,890,916 | 295,012,083 | 292,796,566 |
| Division of Offender Rehabilitative Services | 143,071,327 | 171,798,803 | 189,381,790 | 183,859,491 |
| Board of Probation and Parole | 74,214,577 | 87,211,599 | 110,217,530 | 93,824,273 |
| DEPARTMENTAL TOTAL | \$ 592,908,822 | \$ 624,098,904 * | \$ 693,544,810 | \$ 664,853,973 |
| General Revenue Fund | 555,309,382 | 569,234,250 | 624,160,271 | 608,054,232 |
| Federal Funds | 5,154,850 | 7,468,169 | 6,818,400 | 6,941,995 |
| Working Capital Revolving Fund | 26,485,244 | 34,854,697 | 34,854,697 | 35,091,584 |
| Inmate Revolving Fund | 5,871,113 | 12,277,188 | 27,446,842 | 14,501,562 |
| Correctional Substance Abuse Earnings Fund | 88,233 | 264,600 | 264,600 | 264,600 |
| Full-time equivalent employees | 11,217.67 | 11,082.23 | 11,487.74 | 11,442.63 |

* Does not include \$4,189,672 recommended in the Fiscal Year 2008 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the Department of Corrections supplemental appropriations.

DEPARTMENT SUMMARY

Governor Blunt's Fiscal Year 2009 budget provides a total of \$664.9 million for the Department of Corrections. The department provides secure facilities for segregating criminals and promotes a safe reintegration of former offenders into lawful society. The core functions provided by the Department of Corrections promote the safety of Missourians through:

- Confinement of offenders who require incarceration.
- Rehabilitation of both incarcerated and community-supervised offenders.
- Supervision of offenders who have served their terms and are being reintroduced back into society.
- Supervision of offenders who have been assigned probation in the community.

**DEPARTMENT OF CORRECTIONS
OFFICE OF THE DIRECTOR**

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDS FY 2009 |
|--|------------------------|--------------------------|-----------------------------------|
| Office of the Director (Staff) | \$ 2,785,230 | \$ 3,639,501 | \$ 3,722,068 |
| Federal Programs | 4,704,918 | 7,018,168 | 6,491,994 |
| Fuel and Utilities | 28,343,495 | 0 | 0 |
| Fuel and Utilities/Board of Public Buildings | 4,557,389 | 0 | 0 |
| Restitution Payments | 109,500 | 109,500 | 182,500 |
| Food Purchases | 23,656,706 | 25,125,819 | 25,125,819 |
| Public School Retirement | 0 | 1 | 0 |
| Population Growth Pool | 4,383,734 | 3,340,096 | 2,447,412 |
| Telecommunications | 2,239,155 | 2,239,422 | 2,239,422 |
| Costs in Criminal Cases | 40,060,616 | 41,935,616 | 41,935,616 |
| TOTAL | \$ 110,840,743 | \$ 83,408,123 | \$ 82,144,831 |
| General Revenue Fund | 103,815,091 | 75,939,955 | 75,202,837 |
| Federal Funds | 5,154,850 | 7,468,168 | 6,941,994 |
| Working Capital Revolving Fund | 1,487,414 | 0 | 0 |
| Inmate Revolving Fund | 383,388 | 0 | 0 |

The director of the Department of Corrections provides guidance, coordination, and control of the four departmental divisions: Human Services, Adult Institutions, Offender Rehabilitative Services, and the Board of Probation and Parole. The Office of the Director consists of the Director's Office, the Deputy Director's Office, Public Information, Office of Constituent Services, and Legal Services.

Fiscal Year 2009 Governor's Recommendations

- \$73,000 for restitution costs related to DNA testing.
- \$49,438 federal funds for recruitment and retention pay increases.
- \$276,425 for pay plan, including \$202,268 general revenue.
- (\$22,288) and (three) staff reallocated to the Division of Human Services.
- (\$1,639,867) core reduction and (seven) staff from Fiscal Year 2008 appropriation level, including (\$990,098) general revenue.

DIVISION OF HUMAN SERVICES

The Division of Human Services consists of Training, Employee Health and Safety, Human Resources, Budget and Research, Fiscal Management, General Services, Strategic Planning, and Religious and Spiritual programs. Training is responsible for training new staff and upgrading training for present staff. Employee Health and Safety consists of activities involving infectious disease control, wellness programs, and other items that relate to employee morale and well-being. Human Resources coordinates hiring, promotions, and discipline in all four divisions to ensure that professional and equitable treatment is available to all employees. Budget and Research ensures that long- and short-term budgetary and strategic planning needs are identified and addressed. Fiscal Management carries out the department's day-to-day financial operations. General Services coordinates food and construction services. Chaplains and volunteers are supervised by Religious and Spiritual programs. Department-wide appropriations centralized at this level include fuel and utilities, food, security staff compensatory time, the institutional expense and equipment pool, and federal programs.

Fiscal Year 2009 Governor's Recommendations

- \$189,145 for employee health services.
- \$270,807 for pay plan, including \$267,562 general revenue.
- \$236,335 and five staff reallocated from the Inmate Revolving Fund to reflect actual spending patterns.
- \$32,595 Inmate Revolving Fund transferred from the Office of Administration.
- \$22,288 and three staff reallocated from the Office of the Director.
- (\$236,335) Inmate Revolving Fund and (five) staff reallocated to reflect actual spending patterns.
- (\$42,891) and (one) staff core reduction from Fiscal Year 2008 appropriation level.
- (\$32,595) transferred to the Office of Administration.

**DEPARTMENT OF CORRECTIONS
DIVISION OF ADULT INSTITUTIONS**

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDS FY 2009 |
|---|------------------------|--------------------------|-----------------------------------|
| Central Office | \$ 1,512,339 | \$ 1,635,474 | \$ 1,690,545 |
| Overtime | 6,869,619 | 9,578,835 | 10,015,777 |
| Wage and Discharge Costs | 3,629,438 | 3,978,702 | 3,978,702 |
| Institutional E&E Pool | 19,112,237 | 17,632,968 | 21,073,835 |
| Jefferson City Correctional Center | 15,474,218 | 15,705,838 | 16,328,668 |
| Central Missouri Correctional Center | 585,047 | 564,831 | 593,073 |
| Women's Eastern Reception and Diagnostic Correctional Center | 11,198,797 | 13,504,079 | 14,083,507 |
| Ozark Correctional Center | 4,725,407 | 4,902,959 | 5,110,663 |
| Moberly Correctional Center | 11,616,470 | 12,030,676 | 12,564,985 |
| Algoa Correctional Center | 9,386,838 | 9,566,470 | 9,976,735 |
| Missouri Eastern Correctional Center | 8,744,833 | 9,546,037 | 9,930,235 |
| Chillicothe Correctional Center | 5,198,776 | 5,622,827 | 14,662,593 |
| Boonville Correctional Center | 8,472,894 | 9,149,724 | 9,543,556 |
| Farmington Correctional Center | 16,573,898 | 18,187,198 | 19,004,337 |
| Farmington Correctional Center/ Board of Public Buildings | 1,263,429 | 835,826 | 860,901 |
| Western Missouri Correctional Center | 13,638,272 | 14,965,589 | 15,626,736 |
| Potosi Correctional Center | 9,965,483 | 10,535,644 | 11,003,465 |
| Fulton Reception and Diagnostic Correctional Center | 10,895,386 | 11,989,070 | 12,530,803 |
| FRDCC/Board of Public Buildings | 584,734 | 617,918 | 636,455 |
| Tipton Correctional Center | 9,292,072 | 9,374,643 | 9,780,506 |
| Western Reception and Diagnostic Correctional Center | 14,268,802 | 15,392,727 | 16,066,394 |
| Maryville Treatment Center | 5,229,814 | 5,446,977 | 5,681,686 |
| Crossroads Correctional Center | 10,223,608 | 11,247,084 | 11,746,009 |
| Northeast Correctional Center | 14,218,398 | 15,271,496 | 15,911,183 |
| Eastern Reception and Diagnostic Correctional Center | 18,434,026 | 18,848,102 | 19,626,715 |
| South Central Correctional Center | 11,449,857 | 11,961,035 | 12,451,225 |
| Southeast Missouri Correctional Center | 11,004,589 | 11,798,187 | 12,317,277 |
| TOTAL | \$ 253,569,281 | \$ 269,890,916 | \$ 292,796,566 |
| General Revenue Fund | 253,178,250 | 269,426,683 | 292,313,659 |
| Working Capital Revolving Fund | 0 | 1 | 1 |
| Inmate Revolving Fund | 391,031 | 464,232 | 482,906 |

The Division of Adult Institutions' mission is to safely and humanely house criminal offenders within 21 adult correctional institutions statewide. The Division carries out this mission in a secure manner for offenders, staff, and citizens via the daily monitoring of the inmate population; the implementation and oversight of the inmate classification process; and the transportation and re-incarceration of parole violators.

Fiscal Year 2009 Governor's Recommendations

- \$13,167,097 and 310.4 staff for the opening and staffing of the new Chillicothe Correctional Center.
- \$3,482,068 for recruitment and retention pay increases, including \$3,477,322 general revenue.
- \$7,435,445 for pay plan, including \$7,421,517 general revenue.
- \$110,000 for the replacement of specialty security vehicles.
- (\$1,026,630) core reduction for one-time expenditures.
- (\$262,330) and (six) staff transferred to the Office of Administration for statewide consolidation of facility related contracts.

DEPARTMENT OF CORRECTIONS

DIVISION OF ADULT INSTITUTIONS (Continued)

Missouri Prison Population for December 17, 2007

| <u>Male Institutional</u> | <u>Capacity</u> | <u>Beds Off Line</u> | <u>Population</u> | <u>Vacancies</u> |
|--|-----------------|----------------------|-------------------|------------------|
| Algoa Correctional Center | 1,565 | 28 | 1,518 | 19 |
| Boonville Correctional Center | 1,256 | 0 | 1,094 | 162 |
| Crossroads Correctional Center (Cameron) | 1,450 | 0 | 1,445 | 5 |
| Eastern Reception/Diagnostic Correctional Center (Bonne Terre) | 2,684 | 0 | 2,712 | (28) |
| Farmington Correctional Center | 2,257 | 0 | 2,224 | 33 |
| Fulton Reception and Diagnostic Center | 1,302 | 0 | 1,423 | (121) |
| Jefferson City Correctional Center | 1,973 | 0 | 1,972 | 1 |
| Kansas City Community Release Center | 300 | 0 | 285 | 15 |
| Maryville Treatment (General Population) | 336 | 0 | 65 | 271 |
| Missouri Eastern Correctional Center (Pacific) | 1,140 | 40 | 1,089 | 11 |
| Moberly Correctional Center | 1,800 | 0 | 1,697 | 103 |
| Northeast Correctional Center (Bowling Green) | 1,935 | 0 | 1,916 | 19 |
| Ozark Correctional Center (Fordland) | 650 | 0 | 647 | 3 |
| Potosi Correctional Center | 862 | 0 | 848 | 14 |
| South Central Correctional Center (Licking) | 1,642 | 0 | 1,551 | 91 |
| Southeast Missouri Correctional Center (Charleston) | 1,642 | 0 | 1,520 | 122 |
| St. Louis Community Release Center | 500 | 0 | 446 | 54 |
| Tipton Correctional Center | 1,216 | 24 | 1,172 | 20 |
| Western Missouri Correctional Center (Cameron) | 2,125 | 400 | 1,714 | 11 |
| Western Reception/Diagnostic Correctional Center (St. Joseph) | 1,324 | 0 | 1,371 | (47) |
| Male Institutional Total | 27,959 | 492 | 26,709 | 758 |
| <u>Male Treatment</u> | | | | |
| Biggs Unit (Fulton) | 180 | 0 | 169 | 11 |
| Boonville Treatment Center | 60 | 0 | 60 | 0 |
| Cremer (Fulton) | 0 | 0 | 0 | 0 |
| Farmington Treatment Center | 275 | 40 | 217 | 18 |
| Maryville Treatment Center | 225 | 0 | 221 | 4 |
| Mineral Area Treatment Center | 100 | 0 | 91 | 9 |
| Jefferson City Correctional Center | 0 | 0 | 0 | 0 |
| Western Regional Treatment Center | 650 | 0 | 622 | 28 |
| Male Treatment Total | 1,490 | 40 | 1,380 | 70 |
| TOTAL MALE POPULATION | 29,449 | 532 | 28,089 | 828 |
| <u>Female</u> | | | | |
| Biggs Unit (Fulton) | 0 | 0 | 0 | 0 |
| Chillicothe Correctional Center | 525 | 0 | 522 | 3 |
| Kansas City Community Release Center | 50 | 0 | 26 | 24 |
| St. Louis Community Release Center | 50 | 0 | 40 | 10 |
| Women's Eastern Reception and Diagnostic Correctional Center | 1,975 | 0 | 2,012 | (37) |
| TOTAL FEMALE POPULATION | 2,600 | 0 | 2,600 | 0 |
| TOTAL POPULATION | 32,049 | 532 | 30,689 | 828 |

**DEPARTMENT OF CORRECTIONS
DIVISION OF OFFENDER REHABILITATIVE SERVICES**

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDS FY 2009 |
|--|------------------------|--------------------------|-----------------------------------|
| Central Office | \$ 1,873,304 | \$ 2,012,819 | \$ 2,071,404 |
| Medical Services | 98,327,872 | 111,923,358 | 122,853,829 |
| Medical Equipment | 162,912 | 239,523 | 239,523 |
| Substance Abuse Services | 5,772,347 | 8,638,295 | 10,088,777 |
| Drug Testing-Toxicology | 850,367 | 886,331 | 886,331 |
| Education Services | 10,748,277 | 12,310,685 | 12,594,948 |
| Vocational Enterprises | 24,997,830 | 33,541,934 | 33,778,821 |
| Prison Industry Enhancement | 0 | 962,762 | 962,762 |
| Re-Entry | 312,551 | 383,096 | 383,096 |
| Re-Entry Pilot St. Louis | 25,867 | 900,000 | 0 |
| TOTAL | \$ 143,071,327 | \$ 171,798,803 | \$ 183,859,491 |
| General Revenue Fund | 117,985,264 | 136,679,506 | 148,503,307 |
| Federal Funds | 0 | 1 | 1 |
| Working Capital Revolving Fund | 24,997,830 | 34,854,696 | 35,091,583 |
| Correctional Substance Abuse Earnings Fund | 88,233 | 264,600 | 264,600 |

The Division of Offender Rehabilitative Services is responsible for providing rehabilitative, educational, and treatment programs to offenders. These programs include: reception and diagnostic center assessment; adult education; library services; substance abuse treatment; inmate physical and mental health care; sexual offender assessment and treatment; and work-based education including involvement with Missouri Vocational Enterprises. Through the utilization of these programs, the Division of Offender Rehabilitative Services seeks to improve the offender's ability to successfully comply with society's expectations and thus reduce significantly the rate of offender recidivism.

Fiscal Year 2009 Governor's Recommendations

- \$10,930,471 for increased health care costs.
- \$631,508 for substance abuse services for female offenders.
- \$510,000 for substance abuse contractual increases.
- \$200,000 to maintain current service levels for community based substance abuse programming.
- \$5,760 for Personnel Advisory Board recommended staff repositionings.
- \$682,949 for pay plan, including \$446,062 general revenue.
- (\$900,000) and (five) staff core reduction for one-time expenditures.

**DEPARTMENT OF CORRECTIONS
BOARD OF PROBATION AND PAROLE**

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDS FY 2009 |
|--------------------------------------|------------------------|--------------------------|-----------------------------------|
| Probation and Parole Staff | \$ 61,213,283 | \$ 67,426,143 | \$ 71,336,688 |
| St. Louis Community Release Center | 3,822,067 | 4,085,323 | 4,252,822 |
| Kansas City Community Release Center | 2,240,633 | 2,405,528 | 2,505,027 |
| Community Supervision Centers | 1,814,964 | 4,476,820 | 6,896,331 |
| Community-Based Corrections Programs | 5,123,630 | 8,817,785 | 8,833,405 |
| TOTAL | \$ 74,214,577 | \$ 87,211,599 | \$ 93,824,273 |
| General Revenue Fund | 69,417,772 | 75,773,606 | 79,980,085 |
| Inmate Revolving Fund | 4,796,805 | 11,437,993 | 13,844,188 |

The Board of Probation and Parole provides a full range of supervision strategies to manage offenders who are on probation and parole. These strategies combine appropriate structure, control, treatment, and intervention to address the risk and needs of offenders in the community. In addition to supervision of offenders, staff provides assessments and investigations for the courts, parole board, and other states. These assessments and investigations assist the judges and parole board in making informed and appropriate decisions on cases before them. Through professional assessment and supervision, the board is able to identify and deliver a continuum of necessary services to address a complex offender population. The board also manages a range of alternatives, including community sentencing, the house arrest program, intensive supervision, and halfway houses.

Fiscal Year 2009 Governor's Recommendations

- \$3,694,572 and 69 staff for community supervision centers.
- \$746,333 Inmate Revolving Fund for community based re-entry grants.
- \$709,476 Inmate Revolving Fund for expansion of community substance abuse services.
- \$377,050 Inmate Revolving Fund for community mental health services.
- \$320,000 Inmate Revolving Fund for Community Supervision Centers substance abuse services.
- \$72,274 for recruitment and retention pay increases.
- \$2,074,286 for pay plan, including \$2,057,285 general revenue.
- \$236,335 other funds and 7.4 staff reallocated from general revenue to reflect actual spending patterns.
- (\$1,169,409) core reduction for one-time expenditures.
- (\$236,335) and (7.4) staff reallocated to other funds from general revenue to reflect actual spending patterns.
- (\$163,684) transferred to the Department of Mental Health for community services.
- (\$48,224) transferred to the Office of Administration for statewide consolidation of fuel and utilities and facility related contracts.

DEPARTMENT OF MENTAL HEALTH

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | FY 2009 REQUEST | GOVERNOR RECOMMENDS FY 2009 |
|--|------------------------|--------------------------|--------------------|-----------------------------------|
| Office of the Director | \$ 44,122,378 | \$ 51,869,871 | \$ 58,355,364 | \$ 55,923,178 |
| Facility Services | 453,703 | 0 | 0 | 0 |
| Division of Alcohol and Drug Abuse | 95,211,947 | 110,007,946 | 127,841,833 | 114,833,498 |
| Division of Comprehensive Psychiatric Services | 360,822,178 | 403,489,269 | 441,806,838 | 419,865,514 |
| Division of Mental Retardation and Developmental Disabilities | 510,385,093 | 545,207,596 | 591,015,865 | 564,806,165 |
| DEPARTMENTAL TOTAL | \$ 1,010,995,299 | \$ 1,110,574,682 | * \$ 1,219,019,900 | \$ 1,155,428,355 |
| General Revenue Fund | 554,971,665 | 590,355,650 | 661,440,405 | 620,453,730 |
| Federal Funds | 421,254,035 | 482,058,417 | 518,344,736 | 495,321,154 |
| Mental Health Intergovernmental Transfer Fund | 6,735,525 | 8,000,000 | 8,000,000 | 8,000,000 |
| Compulsive Gamblers Fund | 369,514 | 485,340 | 501,892 | 490,917 |
| Health Initiatives Fund | 5,796,631 | 5,815,894 | 5,761,048 | 6,537,309 |
| Mental Health Earnings Fund | 3,984,842 | 4,193,316 | 4,347,456 | 4,245,486 |
| Mental Health Housing Trust Fund | 645,257 | 0 | 301,867 | 301,867 |
| Inmate Revolving Fund | 640,084 | 1,070,084 | 1,070,084 | 1,070,084 |
| Healthy Families Trust Fund | 0 | 2,325,388 | 2,288,695 | 2,285,637 |
| Healthy Families Trust Fund - Health Care Account | 2,006,270 | 0 | 0 | 0 |
| Healthy Families Trust Fund - Tobacco Prevention Account | 300,000 | 0 | 0 | 0 |
| Mental Health Trust Fund | 14,291,476 | 2,787,605 | 2,787,605 | 2,824,743 |
| DMH Local Tax Matching Fund | 0 | 13,482,988 | 14,176,112 | 13,897,428 |
| Full-time equivalent employees | 9,000.03 | 8,826.22 | 8,498.97 | 8,500.97 |

* Does not include \$4,762,312 recommended in the Fiscal Year 2008 Supplemental Appropriations, including \$3,946,301 general revenue. See the Supplemental section of the Missouri Budget for details regarding the Department of Mental Health supplemental appropriations.

DEPARTMENT SUMMARY

Governor Blunt's budget for Fiscal Year 2009 provides a total of \$1.2 billion for the Department of Mental Health. The primary focus for the department is to provide effective, consumer-friendly services to Missourians challenged by substance abuse, mental disorders, and developmental disabilities. Core services provided by the Department of Mental Health include:

- Offering prevention, evaluation, treatment, and rehabilitation services for individuals requiring public mental health services. One in four Missouri families is affected by mental illness. While many persons with mental illnesses obtain treatment from private providers, more than 70,000 people a year turn to the Division of Comprehensive Psychiatric Services. The division also operates forensic and sexually violent predator programs that protect the public from clients committed to state custody by the courts.
- Improving the lives of persons with developmental disabilities - individuals who are substantially limited in their ability to function independently. The Division of Mental Retardation and Developmental Disabilities has a commitment to build partnerships that support individuals with developmental disabilities in meeting their own unique needs. This is accomplished through a person-centered planning process designed to provide optimal programs and services, enabling clients to live in the safest, least restrictive setting given their individual needs and capacities.
- Providing substance abuse prevention, education, intervention, and treatment. The Division of Alcohol and Drug Abuse strives to have a positive impact on the problems that are associated with addiction - problems that cost the state's economy in loss of productivity, health care expenditures, and crime.

DEPARTMENT OF MENTAL HEALTH

OFFICE OF THE DIRECTOR

The Department of Mental Health establishes policies, standards, and quality outcomes for prevention, education, habilitation, rehabilitation, and treatment for Missourians challenged by mental illness, substance abuse/addiction, and developmental disabilities. The department implements policy and programs through three program divisions -- Alcohol and Drug Abuse, Comprehensive Psychiatric Services, and Mental Retardation and Developmental Disabilities. Services are provided through an array of community-based programs and outpatient clinics, inpatient hospitals, long-term rehabilitation centers, and habilitation centers. The department operates under the advice of a seven-member Mental Health Commission appointed by the Governor.

The Office of the Director implements the plans and policies of the Mental Health Commission and manages the department. The Office of the Deputy Director is in charge of internal audits, quality improvement, deaf services, and houses the Office of Clinical Services for Children, Youth and Families. The Office of Public Affairs/Legislative Liaison disseminates information about mental health programs and reviews state and federal legislation. The Office of Transformation provides staff and infrastructure support to the Governor-appointed Transformation Working Group to develop and implement a statewide needs assessment, inventory of resources and a Comprehensive Mental Health Plan for Missouri centered on the six goals of the President's New Freedom Commission Report. The Office of Administration provides management and fiscal support.

Fiscal Year 2009 Governor's Recommendations

- \$2,000,000 for advanced training for direct care, supervisory, and clinical leadership, including \$1,000,000 general revenue.
- \$1,100,000 for housing assistance for homeless veterans, including \$385,000 general revenue.
- \$578,040 federal funds for the Shelter Plus Care grant which provides rental assistance in St. Louis County to the homeless population with serious mental illness.
- \$281,318 for pay plan, including \$214,732 general revenue.
- \$108,818 federal funds and 1.10 staff reallocated from various divisions.
- (\$14,869) core reduction for mailroom consolidation from the Fiscal Year 2008 appropriation level.

DEPARTMENT OF MENTAL HEALTH

DIVISION OF ALCOHOL AND DRUG ABUSE

The Division of Alcohol and Drug Abuse has the responsibility of ensuring that treatment and prevention services are accessible to persons with substance abuse and gambling disorders, and those at risk for substance abuse and compulsive gambling. The division achieves these goals through a treatment system of contracted community-based providers and state-operated facilities and contracts for 44 general treatment service programs and 48 Comprehensive Substance Treatment and Rehabilitation programs (CSTAR). The general treatment service programs offer an array of services, including detoxification from drugs and alcohol, outpatient services, and residential support. The CSTAR programs offer comprehensive services through three levels of care based on need and severity of addiction. The division has established 12 CSTAR programs specifically for pregnant women and their children, 15 programs specifically for adolescents, and 4 programs specifically for opioid dependent individuals. The division's administrative responsibilities include, but are not limited to, fiscal oversight, technical assistance and training, standard setting to ensure quality services, research, public information dissemination, clinical review and service authorization, review and oversight of the division's budget, and program planning and policies for prevention and treatment services. Missouri receives federal funds from the Substance Abuse Prevention and Treatment Block Grant, the Center for Substance Abuse Treatment, the Center for Substance Abuse Prevention, the U.S. Department of Education, and the U.S. Department of Justice, Office of Juvenile Justice and Delinquency Prevention.

Fiscal Year 2009 Governor's Recommendations

- \$2,268,259 to expand existing CSTAR programs, including \$1,500,000 general revenue.
- \$1,024,048 federal and other funds to provide a one percent increase to community providers.
- \$1,000,000 to divert unnecessary hospital admissions of people with substance abuse or mental illness.
- \$539,288 federal funds and DMH Local Tax Matching Fund for a partnership with the St. Louis Mental Health Board for clients served by the Hopewell Community Mental Health Center.
- \$398,464 for anticipated caseload increases in the MO HealthNet program, including \$147,432 general revenue.
- \$242,576 federal funds to address the change in the federal participation percentage.
- \$11,000 Mental Health Earnings Fund to allow for a salary increase for the Director of the Missouri Substance Abuse Counselor Certification Board.
- \$157,479 for pay plan, including \$122,181 general revenue.
- \$3,950 federal funds to implement the Personnel Advisory Board repositioning recommendation from the previous year for repositioning of certain critical employee classifications.
- \$163,684 transferred from the Department of Corrections for substance abuse and treatment services provided through community support centers.
- (\$874,378) core reduction from the Fiscal Year 2008 appropriation level, including (\$132,994) general revenue.
- (\$108,818) federal funds and (.10) staff core reallocation to the Office of the Director.

DIVISION OF COMPREHENSIVE PSYCHIATRIC SERVICES

The Division of Comprehensive Psychiatric Services (CPS) is charged with the delivery of psychiatric services to individuals with mental illness throughout the State of Missouri.

Missouri's mental health system is committed to serving four target populations: persons with serious and persistent mental illness, persons suffering from acute psychiatric conditions, children and youth with serious emotional disturbances, and forensic clients. In addition, CPS has identified four priority groups within the target populations: (1) individuals in crisis, (2) people who are homeless, (3) those recently discharged from inpatient care, and (4) substantial users of public funds. These target populations currently constitute the majority of clientele whom the division serves both in inpatient and ambulatory settings.

The division divides Missouri into 25 service areas. Each service area has a community mental health center which provides psychiatric services to individuals in need and is designated as the division's administrative agent. These administrative agents serve as the primary entry and exit point for state mental health services. The agents are responsible for the assessment and services provided to both adults and children in their assigned areas and for providing follow-up services for individuals released from state-operated inpatient hospitals.

DEPARTMENT OF MENTAL HEALTH

DIVISION OF COMPREHENSIVE PSYCHIATRIC SERVICES (Continued)

CPS operates eight adult inpatient facilities, one children's psychiatric hospital, and one children's residential center. There are two additional 10-bed children's acute units at two of the adult inpatient facilities. The division also operates and oversees a program for sexually violent predators committed to state custody by the courts.

| Facility | Total Staffed Beds | Forensic and Corrections Beds |
|--|-----------------------|----------------------------------|
| Fulton State Hospital | 496 | 458 |
| Northwest Missouri Psychiatric Rehabilitation Center | 108 | 86 |
| St. Louis Psychiatric Rehabilitation Center | 196 | 169 |
| Hawthorn Children's Psychiatric Hospital | 52 | 0 |
| Metropolitan St. Louis Psychiatric Center | 87 | 0 |
| Mid-Missouri Mental Health Center | 69 | 0 |
| Southeast Missouri Mental Health Center | 158 | 98 |
| Western Missouri Mental Health Center | 148 | 0 |
| Missouri Sexual Offender Treatment Center | 133 | 0 |
| Southwest Missouri Psychiatric Rehabilitation Center | 24 | 0 |
| Cottonwood Residential Treatment Center | 32 | 0 |
| Total | 1,503 | 811 |

Fiscal Year 2009 Governor's Recommendations

- \$2,571,477 for school-based mental health services, including \$2,043,612 general revenue.
- \$2,113,590 to provide a one percent increase to community providers, including \$1,274,086 general revenue.
- \$1,750,000 to provide services for the uninsured through collaboration between Community Health Centers and Federal Qualified Health Centers.
- \$1,623,961 for increased medication cost due to inflation.
- \$1,477,793 and 34.52 staff to accommodate population increases within the Missouri Sexual Offender Treatment Center.
- \$1,442,760 for mental health services to veterans, including \$906,510 general revenue.
- \$1,386,750 to provide 15 beds for persons ready for discharge from psychiatric facilities with a developmental diagnosis, including \$687,450 general revenue.
- \$1,063,639 federal funds to address the change in the federal participation percentage.
- \$1,000,000 for increased non-emergency medical transportation, including \$370,000 general revenue.
- \$869,015 federal funds to support contracting for pharmacy services.
- \$499,997 federal funds to address census issues at Western Missouri Mental Health Center for clients with a developmental disability diagnosis.
- \$370,270 federal and other funds to form a partnership with the Lincoln County Mental Health Board of Trustees.
- \$274,436 for the increased cost of health care services.
- \$200,000 to provide crisis intervention training for local law enforcement.
- \$184,325 to fund a \$5 per day residential rate increase for children's residential care providers.
- \$146,799 for increased food cost.
- \$120,608 for anticipated caseload increases in the MO HealthNet program, including \$44,625 general revenue.
- \$35,040 to address the increase in Medicare Part D premiums.
- \$4,557,756 for pay plan, including \$4,383,035 general revenue.
- \$1,091,665 to implement the Personnel Advisory Board repositioning recommendation from the previous year for repositioning of certain critical employee classifications, including \$263,201 general revenue.
- \$332,189 for recruitment and retention pay increases.
- \$110,227 to implement the Personnel Advisory Board repositioning recommendation for repositioning of certain critical employee classifications.
- \$486,237 transferred from fringe benefits to support contracting laundry services and community detention centers.
- (\$85,000) and (one) staff reallocated to other divisions within the department.
- (\$4,765,237) and (30.70) staff core reduction from the Fiscal Year 2008 appropriation level, including (\$1,053,333) general revenue.
- (\$2,482,052) core reduction for one-time expenditures, including (\$999,839) general revenue.

DEPARTMENT OF MENTAL HEALTH

DIVISION OF MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

The Division of Mental Retardation and Developmental Disabilities operates several facilities and purchases residential, habilitative, and support services for consumers who live in the community and for families who keep their developmentally disabled children at home. This is a key element in the development of an integrated system that will enable mentally retarded and developmentally disabled consumers to live as normally and independently as their conditions and behavior permit. Community-based services range from residential placements to support services for persons living with their families or in their own apartments. The MO HealthNet home and community-based waivers play a major role in the division's community service system. The 11 regional offices are the entry and exit points for consumers. The offices provide screening and diagnostic services for both children and adults, evaluate the need for services and arrange for them, and monitor and assess consumers' progress.

The division provides residential services at the six state habilitation centers. These centers offer training and habilitation for individuals who require Intermediate Care Facility for Mentally Retarded services because of the severity of their disabilities or for behavioral reasons. Those who can successfully transition are eventually moved into appropriate community settings, with the goal of integrating them as fully as possible into normal community life. The following table shows the July 2007 census at the habilitation centers.

| Facility | Total Staffed Beds (As of July 2007) |
|---|--|
| Bellefontaine Habilitation Center | 168 |
| Higginsville Habilitation Center | 122 |
| Marshall Habilitation Center | 224 |
| Nevada Habilitation Center | 131 |
| St. Louis Developmental Disabilities Treatment Center | 217 |
| Southeast Missouri Residential Services | 82 |
| Habilitation Center Clients in Community Settings | 93 |
| Total | 1,037 |

Fiscal Year 2009 Governor's Recommendations

- \$7,369,240 and two staff for increased autism resources, including \$4,506,370 general revenue.
- \$4,203,232 to provide a one percent increase to community providers, including \$1,556,494 general revenue.
- \$2,461,201 federal funds to address the change in the federal participation percentage.
- \$753,180 federal funds to implement the Intermediate Care Facility for the Mentally Retarded provider tax.
- \$500,000 for a Fair Labor Standards Act settlement agreement.
- \$500,000 to implement the Health Risk Reduction Program, including \$250,000 general revenue.
- \$301,867 Mental Health Housing Trust Fund for capital improvement projects at state habilitation centers and residential facilities.
- \$277,867 to allow the transfer of funds from general revenue to the Mental Health Housing Trust Fund.
- \$167,000 federal funds to improve person-centered planning.
- \$122,100 for the increased cost of health care services.
- \$65,729 for increased food cost.
- \$9,559 for anticipated caseload increases in the MO HealthNet program, including \$3,536 general revenue.
- \$3,351,184 for pay plan, including \$2,925,170 general revenue.
- \$95,495 to implement the Personnel Advisory Board Repositioning recommendation from the previous year for repositioning of certain critical employee classifications, including \$57,444 general revenue.
- \$82,859 to implement the Personnel Advisory Board Repositioning recommendation for repositioning of certain critical employee classifications.
- \$85,000 reallocated from the Division of Comprehensive Psychiatric Services.
- \$3,586,192 transferred from fringe benefits to support contracting laundry services and community detention centers.
- (\$3,733,136) and (331.07) staff core reduction from the Fiscal Year 2008 appropriation level, including (\$2,461,201) general revenue.
- (\$600,000) core reduction of one-time expenditures, including (\$300,000) general revenue.

DEPARTMENT OF HEALTH AND SENIOR SERVICES

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | FY 2009 REQUEST | GOVERNOR RECOMMENDS FY 2009 |
|---|------------------------|--------------------------|--------------------|-----------------------------------|
| Health Administration | \$ 11,053,031 | \$ 19,427,373 | \$ 15,531,244 | \$ 13,434,640 |
| Division of Community and Public Health | 249,125,307 | 267,605,757 | 275,032,079 | 279,127,652 |
| Center for Emergency Response and Terrorism | 20,067,265 | 23,765,217 | 23,236,555 | 23,328,266 |
| State Public Health Laboratory | 7,976,026 | 9,780,556 | 9,722,115 | 9,679,722 |
| Division of Senior and Disability Services | 449,306,887 | 480,480,227 | 493,884,534 | 516,503,639 |
| Division of Regulation and Licensure | 22,458,048 | 28,569,748 | 26,779,889 | 28,570,354 |
| DEPARTMENTAL TOTAL | \$ 759,986,564 | \$ 829,628,878 * | \$ 844,186,416 | \$ 870,644,273 |
| General Revenue Fund | 229,934,701 | 230,529,204 | 240,309,283 | 253,259,855 |
| Federal Funds | 511,750,459 | 571,858,282 | 577,304,958 | 589,894,559 |
| Nursing Facility Quality of Care Fund | 1,158,568 | 2,977,357 | 1,977,357 | 2,001,843 |
| Health Initiatives Fund | 5,237,565 | 5,412,372 | 5,412,372 | 5,961,456 |
| Health Access Incentive Fund | 3,129,626 | 3,201,308 | 3,201,308 | 3,456,149 |
| Division of Aging Elderly Home-Delivered Meals Trust Fund | 64,419 | 200,000 | 200,000 | 200,000 |
| Missouri Public Health Services Fund | 4,442,628 | 6,249,579 | 6,126,823 | 6,177,597 |
| Professional and Practical Nursing Student Loan and Nurse Loan Repayment Fund | 522,502 | 587,067 | 587,067 | 589,178 |
| Healthy Families Trust Fund | 0 | 200,000 | 1,200,000 | 3,200,000 |
| Department of Health and Senior Services Document Services Fund | 499,425 | 831,148 | 831,148 | 841,638 |
| Department of Health - Donated Fund | 1,193,380 | 4,284,040 | 2,091,723 | 2,098,296 |
| Head Injury Fund | 477,828 | 852,400 | 852,400 | 852,400 |
| Missouri Health Care Access Fund | 0 | 0 | 2,000,000 | 1 |
| Organ Donor Program Fund | 64,960 | 287,388 | 287,388 | 290,550 |
| Early Childhood Development, Education and Care Fund | 817,856 | 987,063 | 987,063 | 993,086 |
| Missouri Lead Abatement Loan Fund | 103,482 | 76,000 | 76,000 | 76,000 |
| Childhood Lead Testing Fund | 65,476 | 202,893 | 49,749 | 50,230 |
| Governor's Council on Physical Fitness Institution Gift Trust Fund | 38,184 | 350,000 | 50,000 | 50,000 |
| Other Funds | 485,505 | 542,777 | 641,777 | 651,435 |
| Full-time equivalent employees | 1,767.35 | 1,923.95 | 1,923.40 | 1,924.90 |

* Does not include \$15,632,439 recommended in the Fiscal Year 2008 Supplemental Appropriations, including \$6,990,205 general revenue. See the supplemental section of the Missouri Budget for details regarding the Department of Health and Senior Services supplemental appropriations.

DEPARTMENT SUMMARY

Governor Blunt's Fiscal Year 2009 budget provides a total of \$870.6 million for the Department of Health and Senior Services. The department works to protect and promote the health of Missourians. The primary responsibilities of the department include:

- Safeguarding the public health, safety, and well-being of all Missourians.
- Providing health services and in-home and community programs for Missouri's disabled and senior populations.
- Preventing and controlling communicable and genetic diseases.
- Preventing and reducing the burden of chronic disease.
- Protecting Missourians through regulation and inspection of facilities, including hospitals, nursing homes and other long-term care facilities, and child and adult day care programs, with an emphasis on timely and complete complaint investigations.
- Attending to the specific needs of Missouri's women and minority populations through education, outreach, and the promotion of treatment programs unique to health care issues of these groups.

DEPARTMENT OF HEALTH AND SENIOR SERVICES

HEALTH ADMINISTRATION

The Director's Office and the Division of Administration perform the coordination and control functions necessary to ensure efficient, cost-effective use of state resources for all Missouri public health and senior services programs. Responsibilities and services include budgeting, legislative review, accounting, expenditure control, purchasing, contract and grant administration, general office support, legal services, public affairs, strategic planning, and personnel management and training.

Fiscal Year 2009 Governor's Recommendations

- \$172,311 for pay plan, including \$47,362 general revenue.
- \$58,662 and .99 staff reallocated from various divisions, including \$30,000 general revenue.
- (\$4,895,761) federal and other funds core reduction from the Fiscal Year 2008 appropriation level.
- (\$1,300,000) federal funds reduction for one-time expenditures.
- (\$27,945) core reduction for mailroom consolidation from the Fiscal Year 2008 appropriation level, including (\$4,471) general revenue.

DIVISION OF COMMUNITY AND PUBLIC HEALTH

The Division of Community and Public Health, in partnership with 115 local public health agencies, is responsible for the provision of an effective and responsive public health system in Missouri in order to promote health, prevent disease, and protect all persons living in or traveling through the state. The division addresses this mission through a variety of actions, including monitoring and epidemiological services for environmentally induced conditions and communicable and zoonotic diseases including, SARS, monkey pox, and West Nile virus. Additionally, diagnostic and treatment services for tuberculosis, HIV/AIDS, and STDs are provided in collaboration with local public health agencies and other clinical partners.

Public health functions include the collection, analysis, and dissemination of data that identify the current health status, emerging health problems, and the unmet health needs of Missourians. Issuance of birth and death certificate copies, and maintenance of documentation of marriages and dissolutions are also managed through the division. The health needs of women and minority populations in the state are addressed through the Office on Women's Health and the Office on Minority Health, respectively. The division also reduces the risk of disease and illness in Missouri by implementing and assuring good sanitation and safety practices in commercial lodging establishments, on-site sewage systems, and lead remediators. Finally, the division administers programs for maternal, child, and family health including children with special health care needs, nutritional health, chronic disease prevention, health promotion, head injury rehabilitation, genetic disorders, and community health improvement, as well as encouraging nurses, doctors, and dentists to locate in medically underserved areas of the state.

Fiscal Year 2009 Governor's Recommendations

- \$3,400,000 for the Missouri Area Health Education Centers and Office of Primary Care and Rural Health expansion.
- \$2,563,801 for core public health services.
- \$2,337,338 for forensic examinations of any person who may be a victim of a sexual offense.
- \$2,000,000 Healthy Family Trust Fund for youth tobacco prevention and cessation programs.
- \$1,000,000 Healthy Family Trust Fund to continue a tobacco quitline.
- \$500,000 for the Show Me Healthy Women Program.
- \$396,075 and one staff to implement SB 16 (2007) which requires vision examinations of children enrolling in kindergarten, including \$297,075 general revenue.
- \$250,000 for the Alternatives to Abortion Program.
- \$250,000 Health Access Incentive Fund for a Healthcare Workforce Study.
- \$1 Missouri Health Care Access Fund on an open-ended basis to spend donations to the fund.
- \$766,564 for pay plan, including \$586,487 general revenue.
- \$293,116 federal funds and one staff reallocated from various divisions.
- (\$1,975,000) federal and other funds core reduction from the Fiscal year 2008 appropriation level.
- (\$260,000) core reduction for one-time expenditures.

DEPARTMENT OF HEALTH AND SENIOR SERVICES

CENTER FOR EMERGENCY RESPONSE AND TERRORISM

The Center for Emergency Response and Terrorism is responsible for coordinating regional and state preparedness for public health emergencies and natural disasters, including chemical, biological, radiological, and nuclear terrorism. Through partnerships with local public health agencies, health care organizations, local government agencies, first responders, and other public and private partners, the center works to assure that systems and programs are in place to protect the health of Missourians during a public health emergency.

Fiscal Year 2009 Governor's Recommendations

- \$91,711 federal funds for pay plan.
- (\$500,000) federal funds core reduction from the Fiscal Year 2008 appropriation level.
- (\$28,662) federal funds and (.5) staff reallocated to various divisions.

STATE PUBLIC HEALTH LABORATORY

The State Public Health Laboratory analyzes samples from newborns for metabolic conditions, conducts tests of human samples for suspected disease agents, and tests materials suspected in biological, chemical, and radiological terrorism. Each year nearly four hundred thousand specimens are submitted to the laboratory for testing and examination. The laboratory performs tests for communicable and infectious diseases, including: tuberculosis, HIV, sexually transmitted diseases, rabies, immunizable diseases, and others. The lab also tests public and private water supplies, performs screenings for childhood lead poisoning, and examines milk and food suspected of causing disease outbreaks.

Fiscal Year 2009 Governor's Recommendations

- \$105,542 for pay plan, including \$47,919 general revenue.
- (\$94,464) Missouri Public Health Services Fund reduction for one-time expenditures.
- (\$86,912) and (two) staff transferred to the Department of Transportation for the Breath Alcohol Program, including (\$81,912) general revenue.
- (\$25,000) federal funds core reduction from the Fiscal Year 2008 appropriation level.

DIVISION OF SENIOR AND DISABILITY SERVICES

The Division of Senior and Disability Services is mandated to investigate allegations of abuse, neglect, and financial exploitation of vulnerable elderly and disabled Missourians based on reports received at a state-wide toll-free hotline. Designated as the State Unit on Aging, the division is responsible for assuring that a comprehensive, effective, and coordinated home and community-based long-term care delivery system is available for elderly and disabled individuals. The division informs individuals considering long-term care about their options for home care and provides appropriate referrals; authorizes MO HealthNet funded home and community-based services; provides care plan management for home care service recipients (both MO HealthNet recipients and Non-MO HealthNet eligible recipients); and provides oversight and monitors contracts of service providers. The State Long-Term Care Ombudsman Program advocates for the rights of residents in licensed long-term care facilities and educates volunteers to assist residents in facilities across the state. Funding for the Area Agencies on Aging (AAAs) helps provide seniors the services they need to continue to live in their communities, including congregate and home-delivered meals, transportation, legal services, health promotion, and other support services authorized under the Older Americans Act. The division also provides guidance, oversight, and monitoring of the programs and services offered by the AAAs. These flexible service delivery systems help empower thousands of elderly and adults with disabilities to live dignified, independent lives in their own homes and communities.

Fiscal Year 2009 Governor's Recommendations

- \$24,865,924 for an \$.88/hour rate increase for in-home and community-based providers, including \$9,200,392 general revenue.
- \$13,533,000 to meet increases in demand for MO HealthNet Home and Community-Based Services Program, including \$5,007,210 general revenue.
- \$3,077,356 federal funds to address the change in the federal participation percentage.
- \$1,000,000 for services provided by Area Agencies on Aging.
- \$500,209 for pay plan, including \$300,048 general revenue.
- \$290,307 and 5.5 staff reallocation from various divisions, including \$75,385 general revenue.
- (\$6,824,384) core reduction from the Fiscal Year 2008 appropriation level, including (\$3,077,356) general revenue.
- (\$419,000) core reduction for one-time expenditures.

DEPARTMENT OF HEALTH AND SENIOR SERVICES

DIVISION OF REGULATION AND LICENSURE

The Division of Regulation and Licensure is responsible for assuring that the care and services provided by hospitals, ambulatory surgical centers and other health care facilities, home health agencies, hospices, long-term care facilities, intermediate care facilities (including those for the mentally retarded), skilled nursing facilities, child-care providers, ambulances, emergency medical technicians, and those who prescribe or dispense controlled substances meet state and/or federal standards. The division fulfills its regulatory responsibilities through license issuance, inspections and surveys, compliance monitoring visits, complaint investigations, enforcement activities, and through training and intervention. For those providers who are certified for Medicare and Medicaid, the division performs various functions on behalf of the Center for Medicare and Medicaid Services (CMS). The division also includes the Family Care Safety Registry, which registers caregivers and provides background screenings to families and employers who want to hire a caregiver for children, the elderly, and disabled persons. The Board of Nursing Home Administrators and the Missouri Health Facilities Review Committee are also part of the Division of Regulation and Licensure. The Board licenses, tests, and provides oversight for nursing home administrators. The Health Facilities Review Committee focuses on health care cost containment through a certificate of need process.

Fiscal Year 2009 Governor's Recommendations

- \$1,134,272 and 4.5 staff to establish a drug monitoring system, including \$586,622 general revenue.
- \$656,193 for pay plan, including \$449,136 general revenue.
- (\$1,176,436) other funds and (2.55) staff core reduction from the Fiscal Year 2008 appropriation level.
- (\$613,423) and (6.99) staff reallocation to various divisions, including (\$105,385) general revenue.

DEPARTMENT OF SOCIAL SERVICES

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | FY 2009 REQUEST | GOVERNOR RECOMMENDS FY 2009 |
|---|------------------------|--------------------------|--------------------|-----------------------------------|
| Office of the Director | \$ 25,495,865 | \$ 34,493,437 | \$ 33,305,194 | \$ 33,458,884 |
| Facility Services | 1,250,499 | 0 | 0 | 0 |
| Family Support Division | 480,719,913 | 505,733,517 | 505,094,945 | 503,811,043 |
| Children's Division | 510,925,098 | 577,044,131 | 545,593,305 | 552,228,822 |
| Division of Youth Services | 57,626,444 | 61,768,032 | 65,342,416 | 63,270,502 |
| MO HealthNet Division | 4,712,273,911 | 5,465,078,676 | 6,185,097,884 | 6,145,312,075 |
| DEPARTMENTAL TOTAL | \$ 5,788,291,730 | \$ 6,644,117,793 * | \$ 7,334,433,744 | \$ 7,298,081,326 |
| General Revenue Fund | 1,381,363,389 | 1,573,140,417 | 1,743,590,637 | 1,680,448,924 |
| Title XIX - Federal and Other Funds | 2,160,417,676 | 2,626,490,542 | 3,115,520,536 | 3,094,672,238 |
| Temporary Assistance for Needy Families - Federal Funds | 139,535,500 | 153,341,047 | 153,341,047 | 153,341,262 |
| DSS - Federal and Other Funds | 520,977,196 | 610,313,111 | 577,144,406 | 578,582,598 |
| Uncompensated Care Fund | 82,874,654 | 91,000,001 | 91,000,001 | 91,000,001 |
| Pharmacy Rebates Fund | 37,271,986 | 50,454,979 | 50,454,979 | 67,955,528 |
| Third Party Liability Collections Fund | 15,606,869 | 24,117,760 | 24,117,760 | 24,144,168 |
| Federal Reimbursement Allowance Fund | 1,046,357,902 | 1,004,731,814 | 1,090,531,814 | 1,090,534,494 |
| Pharmacy Reimbursement Allowance Fund | 9,886,790 | 31,933,124 | 31,933,124 | 31,933,855 |
| Medicaid Managed Care Organization Reimbursement Allowance Fund | 13,473,183 | 46,983,825 | 44,978,016 | 46,983,825 |
| Family Support and Children's Divisions Donations Fund | 9,443 | 133,994 | 133,994 | 133,994 |
| Family Support Division Collections Fund | 9,112,521 | 11,663,084 | 11,637,468 | 11,873,590 |
| Nursing Facility Federal Reimbursement Allowance Fund | 194,883,723 | 214,021,731 | 214,021,731 | 214,021,731 |
| Nursing Facility Quality of Care Fund | 75,313 | 538,449 | 538,449 | 540,794 |
| Health Initiatives Fund | 16,064,695 | 21,546,819 | 21,546,819 | 28,583,585 |
| Gaming Commission Fund | 374,465 | 500,000 | 500,000 | 500,000 |
| DSS Administrative Trust Fund | 4,835,747 | 5,451,920 | 5,451,920 | 5,452,035 |
| DSS Educational Improvement Fund | 5,695,010 | 5,773,181 | 6,293,181 | 6,373,082 |
| Blind Pension Fund | 25,550,650 | 28,624,038 | 30,114,904 | 30,141,932 |
| Healthy Families Trust Fund | 0 | 64,779,494 | 64,779,494 | 67,977,034 |
| Healthy Families Trust Fund-Health Care Treatment and Access Account | 50,959,100 | 0 | 0 | 0 |
| Healthy Families Trust Fund-Life Sciences Research Account | 33,250,000 | 21,750,000 | 0 | 21,750,000 |
| Youth Services Products Fund | 0 | 25,000 | 1 | 1 |
| Missouri Rx Plan Fund | 8,147,698 | 10,709,260 | 10,709,260 | 10,730,525 |
| Youth Services Treatment Fund | 0 | 999 | 999 | 999 |
| Early Childhood Development, Education and Care Fund | 13,597,884 | 20,205,264 | 20,205,264 | 14,517,191 |
| Premium Fund | 7,322,410 | 13,637,940 | 13,637,940 | 13,637,940 |
| Blindness Education, Screening and Treatment Program Fund | 0 | 250,000 | 250,000 | 250,000 |
| Alternative Care Trust Fund | 10,647,926 | 12,000,000 | 12,000,000 | 12,000,000 |
| Full-time equivalent employees | 8,257.55 | 8,245.08 | 8,176.08 | 8,174.08 |

* Does not include \$16,330,619 recommended in the Fiscal Year 2008 Supplemental Appropriations, including \$7,744,148 general revenue. See the Supplemental section of the Missouri Budget for details regarding the Department of Social Services supplemental appropriations.

DEPARTMENT OF SOCIAL SERVICES

DEPARTMENT SUMMARY

Governor Blunt's budget for Fiscal Year 2009 provides a total of \$7.3 billion for the Department of Social Services. Each day half of all Missouri residents receive services from the Department of Social Services. The core functions provided by the Department of Social Services include:

Children's Division

The Children's Division is dedicated to protecting the welfare of Missouri's children. The division's programs include: foster care, child abuse and neglect investigations, children's treatment, purchase of child care, and adoption assistance.

Income Maintenance

The Family Support Division is responsible for all income support programs and many of the state's child support enforcement functions. The programs administered by the division include: Temporary Assistance for Needy Families, Food Stamps, Energy Assistance, Blind Pension, Supplemental Aid to the Blind, Domestic Violence, and Medicaid eligibility.

Youth Services

The Division of Youth Services provides case management, community care, and aftercare to youth committed to the state's custody for various crimes. The Juvenile Court Diversion Program works with local communities to help prevent juvenile crime and provide treatment for youth in their own communities.

MO HealthNet Program

The MO HealthNet Program is responsible for the delivery of health care to over 825,000 of Missouri's neediest citizens, including the elderly, the disabled, children, and pregnant women. The Medicaid Program (Title XIX of the Social Security Act) is a federal-state effort begun in 1965 to meet the health care needs of those who cannot pay for their own care. The program staff oversees the operation of the MO HealthNet, SCHIP (State Children's Health Insurance Program), and State Medical programs. The health care services include hospital, physician, pharmacy, skilled nursing home care, home health care, mental health, and managed care. While states must meet certain minimum criteria, each state can establish eligibility guidelines, benefit packages, and provider payment rates for their state Medicaid Program.

**DEPARTMENT OF SOCIAL SERVICES
DEPARTMENTAL ADMINISTRATION**

OFFICE OF THE DIRECTOR

Departmental Administration includes the director, the director's staff, and the Human Resource Center (HRC). The director sets policy for the department, forges public/private partnerships to help meet department goals, and ensures implementation of its mandates. The HRC plans, develops, and implements statewide human resource programs and training curriculums, giving direction and coordination to all divisions in the Department of Social Services.

The Division of Finance and Administrative Services provides centralized financial and administrative support to all Department of Social Services divisions. Financial related functions include audit support and contract compliance, budgeting, expenditure review and control, federal grants management and reporting, implementation of the department's fiscal policies, and responding to changes in federal and state fiscal policy. Administrative support services include emergency management, telecommunications, warehouse/inventory coordination and distribution, mail services, and fleet management. In addition, staff responsible for the department's research and data management functions are included in the Division of Finance and Administrative Services.

The Division of Legal Services (DLS) provides comprehensive legal support to all program and support divisions in the department. DLS responsibilities include due process hearings for recipient appeals, legal advice and representation for children in the custody of the Children's Division, investigating fraud and abuse of public assistance programs, and conducting background investigations on department employees prior to employment. The division also includes the State Technical Assistance Team (STAT) responsible for assisting in the investigation of child abuse and neglect, child exploitation, and child fatality cases. In addition, the STAT manages Missouri's Child Fatality Review Program (CFRP) and provides in-service training for CFRP panel members and other professional staff. DLS also coordinates the department's compliance with the federal Health Insurance Portability and Accountability Act (HIPAA) by employing a privacy officer to ensure that HIPAA standards are implemented appropriately.

Fiscal Year 2009 Governor's Recommendations

- \$312,626 for pay plan, including \$214,173 general revenue.
- (\$1,050,000) federal funds reallocated to the Children's Division for education grants.
- (\$297,179) and (7.28) staff core reduction from the Fiscal Year 2008 appropriation level, including (\$102,664) general revenue.

**DEPARTMENT OF SOCIAL SERVICES
FAMILY SUPPORT DIVISION**

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDS FY 2009 |
|--|------------------------|--------------------------|-----------------------------------|
| Family Support Administration | \$ 25,445,791 | \$ 27,289,470 | \$ 26,859,840 |
| Income Maintenance | | | |
| Income Maintenance Field Staff and Operations | 85,104,081 | 92,667,334 | 98,184,606 |
| Family Support Staff Training | 522,074 | 536,515 | 536,515 |
| Community Partnerships | 8,131,123 | 8,301,711 | 8,304,423 |
| Missouri Mentoring Partnership | 1,329,995 | 1,384,987 | 1,384,987 |
| Kids Mentoring | 197,000 | 400,000 | 500,000 |
| Family Nutrition Program | 5,294,560 | 9,294,560 | 9,294,560 |
| Temporary Assistance for Needy Families (TANF) | 122,167,210 | 135,833,466 | 131,033,466 |
| Adult Supplementation | 93,816 | 100,000 | 88,000 |
| Supplemental Nursing Care | 25,391,722 | 25,807,581 | 25,807,581 |
| Supplemental Security Income | 23,515 | 0 | 0 |
| Blind Pension | 22,957,598 | 25,804,530 | 27,295,396 |
| Refugee Assistance | 2,815,055 | 4,008,853 | 4,008,853 |
| Community Services Block Grant | 17,011,322 | 19,144,171 | 19,144,171 |
| Homeless Challenge Grant | 471,850 | 500,000 | 500,000 |
| Emergency Shelter Grants | 1,340,000 | 1,340,000 | 1,340,000 |
| Food Distribution Programs | 1,052,352 | 1,175,585 | 1,175,585 |
| Energy Assistance | 55,151,970 | 40,817,949 | 40,826,051 |
| Utilicare Transfer | 6,317,148 | 0 | 0 |
| Domestic Violence | 5,859,659 | 6,437,653 | 6,437,653 |
| Missouri Supplemental Food Stamp Program | 0 | 3,000,000 | 0 |
| Services for the Blind | | | |
| Blind Administration | 4,665,997 | 4,874,546 | 4,993,042 |
| Services for the Visually Impaired | 6,318,086 | 8,459,151 | 8,459,151 |
| Child Support Enforcement and Distributions | | | |
| Child Support Field Staff and Operations | 30,977,695 | 40,932,455 | 40,014,163 |
| Child Support Distributions | 52,080,294 | 47,623,000 | 47,623,000 |
| TOTAL | \$ 480,719,913 | \$ 505,733,517 | \$ 503,811,043 |
| General Revenue Fund | 86,404,735 | 93,971,290 | 95,290,730 |
| Federal Funds | 359,236,148 | 370,506,559 | 365,508,375 |
| Other Funds | 35,079,030 | 41,255,668 | 43,011,938 |

DEPARTMENT OF SOCIAL SERVICES

FAMILY SUPPORT DIVISION (Continued)

Administrative Services – Management, coordination, and general direction are provided to all Family Support Division programs. The division director and staff monitor the efficiency and effectiveness of and provide policy direction for Income Maintenance and Child Support programs. Administrative Services also provides financial management and operational services, human resource support, and systems support to Income Maintenance and Child Support Enforcement field staff.

Income Maintenance - Staff provides intake services, information and referral, and eligibility determinations for applicants of financial services provided by the department. Funds in these sections support the salaries, general operating expenses, and training for Income Maintenance eligibility specialists, administrative and supervisory staff, and clerical support positions in Family Support offices.

Temporary Assistance for Needy Families (TANF) – TANF is a program designed to provide temporary assistance/relief to families to promote self-sufficiency so parents do not remain dependent on welfare payments and children do not grow up in poverty. Under federal welfare reform, TANF was designed to be a temporary assistance which, coupled with a myriad of other support services, would enable parents to find and retain employment; thereby, enabling them to support their families without government assistance. Missouri continues to implement new, innovative programs designed to meet the diverse needs of TANF recipients.

Adult Supplementation – The federal government assumed responsibility for Old Age Assistance, Aid to the Permanently and Totally Disabled, and Aid to the Blind programs in January 1974 when it created the Supplemental Security Income (SSI) Program. Recipients who are eligible for SSI, but who receive smaller benefits than their December 1973 payments, receive payments from the state equal to the difference. Recipients who are not eligible for SSI, but who received payments under one of the earlier programs, receive payments from the state equal to the amount they received in December 1973. The caseload has been declining since 1973 as recipients die, become ineligible through income changes, or leave the state.

Supplemental Nursing Care – This state-funded program makes monthly cash payments to residents of residential care, assisted living, and non-Medicaid nursing facilities. The type of facility appropriate for clients is dictated by their level of need for care. Minimal medical care is provided in Residential Care, more in Assisted Living, and significantly more in Nursing Facilities. Supplemental Nursing Care recipients also are provided an allowance each month for personal needs such as toiletries, transportation, and hair care.

Blind Pension and Supplemental Aid to the Blind – Three separate programs assist blind persons. The first, Supplemental Aid to the Blind, pays benefits to those who meet certain income requirements. The second, Blind Pension, aids the blind that do not qualify for Supplemental Aid to the Blind and who do not own property – excluding homes – worth more than \$20,000. Currently both programs provide a maximum monthly grant of \$575. The third program, Adult Supplemental Payments, aids those who received Aid to the Blind before the federal SSI Program began in 1974, but who receive less from SSI than from the earlier program. New cases that meet the state's 1973 guideline also may be certified for Supplemental Aid to the Blind. All of these programs are funded from an earmarked state property tax that provides revenue to the Blind Pension Fund.

Community Services Block Grant (CSBG), Emergency Shelter Grants, Homeless Funding, and Refugee Assistance – CSBG funds are used to address six causes of poverty: unemployment, inadequate education, malnutrition, inadequate housing, unmet emergency needs, and poor use of income. Federal statutes require that 90 percent of CSBG funding be passed through to Community Action Agencies. The Emergency Shelter Grants Program provides grants to local governments to be used for renovation or conversion of buildings for emergency shelters and to help meet the cost of emergency shelter operations. Homeless Challenge Grants offer local communities matching funds to establish programs to combat homelessness. The Refugee Assistance Program provides services to help refugees overcome language barriers, acquire or adapt vocational skills, and adjust to their new environment.

Food Distribution – The federally funded Food Distribution Program enables Family Support to store, ship, and distribute processed surplus commodity food to eligible individuals, families, charitable institutions, and organizations.

Energy Assistance – The Low-Income Home Energy Assistance Program is a federally funded block grant which provides heating assistance payments and winter and summer crisis assistance to low-income households.

Domestic Violence – This program provides grants to local communities for family violence shelters or services. Grants may be used for emergency shelters, counseling, and education services for families in community-based shelters.

Services for the Blind - Professional staff in Rehabilitation Services for the Blind counsel and train blind and other visually impaired Missourians, arrange for the purchase of other services, and help the visually impaired find jobs. Services include rehabilitation, vocational rehabilitation, diagnosis and treatment of eye disease, equipment and supplies for blind preschool children, the Public Building Vending Program, and the Readers for the Blind Program.

DEPARTMENT OF SOCIAL SERVICES

FAMILY SUPPORT DIVISION (Continued)

Child Support Field Staff and Operations – Child Support Enforcement staff, with the assistance of the Missouri Automated Child Support System (MACSS), locate missing parents, establish paternity, medical support, and financial child support obligations, and enforce the collection of support payments for TANF and for participating non-TANF families. The state retains approximately 33 percent of all child support collected on TANF cases.

Reimbursement to Counties – This program provides reimbursement to counties that have signed a cooperative agreement with the Department of Social Services. Child support collection and prosecution costs incurred by the counties are reimbursed by the federal government at a rate of 66 percent. This funding also supports contractual agreements with local governments to assist the division with paternity and other types of child support referrals through the establishment of multi-county, full-service centers. Counties pool resources to establish service centers dedicated to child support work.

Distribution Pass Through – This appropriation provides a mechanism to disburse payments to families when the payment was collected by the department and to refund some overpayments from federal income tax refund intercepts. This appropriation also provides a mechanism for reimbursing non-custodial parents for child support payments over-collected from state income tax refund intercepts.

Fiscal Year 2009 Governor's Recommendations

- \$3,000,000 for an income maintenance call center to serve clients of the Department of Social Services, including \$1,500,000 general revenue.
- \$1,490,866 other funds to increase the monthly benefit payment to blind pension recipients from \$575 to \$609 per month.
- \$1,258,200 to replace federal matching funds for child support lost due to federal fees applied to child support cases.
- \$100,000 for youth mentoring.
- \$3,781,448 for pay plan, including \$1,857,799 general revenue.
- (\$11,552,988) and (63.72) staff core reduction from the Fiscal Year 2008 appropriation level, including (\$3,396,559) general revenue.

**DEPARTMENT OF SOCIAL SERVICES
CHILDREN'S DIVISION**

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDS FY 2009 |
|---|------------------------|--------------------------|-----------------------------------|
| Children's Administration | \$ 6,551,041 | \$ 7,210,786 | \$ 7,339,305 |
| Children's Field Staff and Operations | 68,528,484 | 72,958,571 | 74,929,277 |
| Child Welfare Accreditation | 7,571,186 | 9,164,381 | 11,817,731 |
| Children's Staff Training | 1,510,841 | 1,545,691 | 1,545,691 |
| Children's Treatment Services | 12,645,700 | 13,992,238 | 12,242,238 |
| Crisis Nursery | 0 | 0 | 1,350,000 |
| Teen Crisis Care | 0 | 0 | 400,000 |
| Foster Care | 26,734,826 | 34,940,991 | 36,212,447 |
| Adoption and Subsidized Guardianship | 72,346,421 | 78,008,883 | 83,724,241 |
| Adoption Resource Centers | 0 | 300,000 | 300,000 |
| Independent Living | 1,830,952 | 3,000,000 | 4,050,000 |
| Transitional Living | 2,012,537 | 2,064,018 | 2,064,018 |
| Children's Programs Pool | 15,082,530 | 12,316,463 | 16,444,251 |
| Child Assessment Centers | 1,833,058 | 1,898,952 | 1,898,952 |
| Residential Treatment Centers | 79,739,210 | 82,748,042 | 43,413,054 |
| Performance Based Case Management Contracts | 20,021,857 | 27,493,118 | 23,570,066 |
| Psychiatric Diversion | 14,900,262 | 16,037,734 | 16,037,734 |
| IV-E Court Contracts | 224,738 | 700,000 | 700,000 |
| Child Abuse and Neglect Grant | 52,511 | 188,316 | 188,316 |
| Foster Care Children's Account | 10,647,926 | 12,000,000 | 12,000,000 |
| Purchase of Child Care | 168,206,018 | 198,575,947 | 200,101,501 |
| Child Welfare Prevention | 485,000 | 1,600,000 | 1,600,000 |
| Child Abuse Prevention | 0 | 300,000 | 300,000 |
| TOTAL | \$ 510,925,098 | \$ 577,044,131 | \$ 552,228,822 |
| General Revenue Fund | 244,129,999 | 262,210,409 | 271,085,708 |
| Federal Funds | 242,467,502 | 282,370,254 | 254,365,734 |
| Other Funds | 24,327,597 | 32,463,468 | 26,777,380 |

DEPARTMENT OF SOCIAL SERVICES

CHILDREN'S DIVISION (Continued)

Children's Administration – The Children's Division Administrative Services provides management, coordination, and general direction for all Children's Division programs. The division director and staff monitor the effectiveness of programs that promote safety, permanency, and well being for Missouri's children served by the Division. Administrative Services provides policy direction, financial management and operational services, and human resource support to field staff.

CD Field Staff and Operations/Staff Training/Child Welfare Accreditation – Provides funding and staff training for Children's Service workers and support staff to support the Children's Division (CD) programs in each of the 45 Judicial Circuits in the state. Front line staff respond to allegations of child abuse or neglect, provide assistance for families in need of services to keep or return children home safely, secure appropriate out of home placements for children placed in the Division's custody, and locate permanent homes when it is in the best interest of children. In addition, the Children's Division is in the process of seeking accreditation by the Council on Accreditation (COA). According to Section 210.113, RSMo, it is the intent and goal of the General Assembly to have the Department (Children's Division) attain accreditation by COA within five years of the effective date of this section (i.e. by August 28, 2009). To achieve accreditation, Missouri's child welfare system is reviewed and measured against nationally-recognized standards of best practice established by COA.

Children's Treatment Services, Intensive In-Home Services, Crisis Nursery, Teen Crisis Care and Prevention programs – The Children's Treatment Services funding provides a variety of contracted services to child abuse victims and their parents. Specific services include family therapy, homemaker services, respite care, parent aides, child care, crisis nursery and teen crisis care services, and incentive subsidies to encourage local units of government to develop community programs to combat child abuse and neglect. Children's Treatment Services also provides funding for intensive, in-home services to help prevent placement of children in foster care and keep children with their families. Prevention programs such as Crisis Nursery Centers, Teen Crisis Care Centers, home visitation, and other prevention programs provide services for families and children to prevent child abuse and neglect (CA/N) and to divert children from the state's custody.

Foster Care, Children's Account, Adoption Subsidy, and Subsidized Guardianship – The Foster Care Program provides monthly room and board payments for children in the custody and care of the Children's Division. Current payment rates for homes of traditional foster parents, relatives, and kinship for age groups are as follows: 0-5 years, \$271; 6-12 years, \$322; and 13 and over, \$358. There are special placements with different rates, including Behavioral or Medical Foster Care (\$708 per month) and Career Foster Care (\$47 per day). Homes may also receive an additional \$100 per month, per child, for attending professional parenting classes. Payments also are made for non-Medicaid medical and dental services, clothing, transportation, foster parent training, and other needs. Children in state custody may receive funds from a variety of sources, including child support payments. These monies are used to offset the cost of maintaining the child in foster care and to pay for any special expenses of the child.

The Adoption Subsidy Program and Subsidized Guardianship Program provide financial assistance to parents who adopt or become legal guardians of special needs children, in order to move these children from foster care into permanent family arrangements.

Children's Programs Pool – This pooled appropriation allows flexible spending for Children's Program areas.

Child Assessment Centers – Child Assessment Centers (CACs) provide a child friendly setting where children, reported to have been sexually abused, can be interviewed by multi-disciplinary team members and receive a single medical examination.

Residential Treatment, Transitional/Independent Living, and Title IV-E Court Contracts – Residential facilities are used when foster family care cannot meet the children's treatment needs. The division contracts with a wide range of residential programs, ranging from small group homes to large, self-contained, resident campuses. Facilities must be licensed or be accredited by one of three nationally recognized accrediting organizations. Transitional/Independent Living programs assist foster care children, ages 15 to 21, in learning the necessary skills for the transition from foster care to adult independent living in the community. Court contracts through the Title IV-E Program allow the Children's Division to pass through federal funds to be used for reimbursement to juvenile courts for children in the court's custody placed in juvenile court residential facilities.

Performance Based Case Management Contracts – The Children's Division contracts with private agencies to provide foster/adoption case management services to children who have been removed from their homes and are under the jurisdiction of the Juvenile Court. These children have been abused and/or neglected or were found to be at serious risk of such. The goal of the performance based case management contracts is to improve safety, stability and timely permanency for these children, with states outcome expectations.

Psychiatric Diversion – This appropriation is a funding stream of which the primary purpose is to keep children out of expensive inpatient psychiatric hospitals, while providing them with the necessary services to help them deal with their severe behavioral and emotional problems.

Purchase of Child Care – A key to successful welfare reform and the prevention of abuse and neglect is access to quality, affordable child care. Without child care assistance, many parents could not participate in job training, education, or maintain employment in order to become self-sufficient and end their dependence on government assistance. Without such assistance, the risk of children being left

DEPARTMENT OF SOCIAL SERVICES

CHILDREN'S DIVISION (Continued)

in unsafe environments also increases. The Early Childhood Development, Education and Care Fund supports programs to improve the availability of, and access to, quality child care and programs that prepare children to enter school ready to succeed. Because children learn more from the ages of zero to five than during any other developmental period, the availability of quality child care is essential to preparing children for school.

Fiscal Year 2009 Governor's Recommendations

- \$8,500,000 to maintain child care eligibility limits at 127 percent of the federal poverty level and initiate a transitional benefit for incomes up to 150 percent of the federal poverty level, including \$2,400,000 general revenue.
- \$4,514,659 for adoption and guardianship subsidy caseload growth, including \$3,923,801 general revenue.
- \$3,687,519 to attain national accreditation for the state's Child Welfare Program, including \$2,705,074 general revenue.
- \$2,799,530 to fund a rate increase for providers of residential treatment services for abused and neglected children, including \$1,135,448 general revenue.
- \$2,000,000 federal funds for a rate increase for child care providers.
- \$1,500,000 to fund a new performance based contract for providers of residential treatment services for abused and neglected children, including \$848,419 general revenue.
- \$1,271,456 to fund a rate increase for foster care providers, including \$1,000,000 general revenue.
- \$1,200,699 for funding to increase the rates for families in the adoption and guardianship program, including \$1,000,000 in general revenue.
- \$1,000,000 federal funds to increase funding for the Early Head Start program.
- \$2,353,194 for pay plan, including \$1,520,872 general revenue.
- \$1,050,000 federal funds reallocated from the Office of Director for education grants.
- (\$42,134,518) reallocated to the MO HealthNet Division for treatment at residential facilities of abused and neglected children, including (\$5,606,265) general revenue.
- (\$12,489,362) federal and other funds core reduction from the Fiscal Year 2008 appropriation level.
- (\$68,486) transferred to the Office of Administration for leases, including (\$52,050) general revenue.

DIVISION OF YOUTH SERVICES

The Division of Youth Services (DYS) is divided into three functional areas: Management and Development, Residential Services, and Alternative Services.

Management and Development is the central administrative unit with overall responsibility for designing, implementing, managing, and evaluating all programs operated by the division. Five regional offices work with central office staff to ensure program efficiency and effectiveness at the local level.

Residential Services provides youthful offenders with structured rehabilitation programs when placement at home is no longer an option. Educational Services provides academic and vocational education to youth in residential placement. The division has seven secure care facilities: Northwest Regional Youth Center in Jackson County, Hogan Street Youth Center in St. Louis City, Fulton Treatment Center in Callaway County, Mount Vernon Treatment Center in Lawrence County, Hillsboro Treatment Center in Jefferson County, Riverbend Treatment Center in Buchanan County, and Montgomery City Youth Treatment Center in Montgomery County. The division also operates 18 moderate care facilities and seven community-based facilities.

Alternative Services help youthful offenders adjust to community life and become law-abiding and productive citizens. The division provides several types of alternative services: case management and classification; community care which includes day treatment, intensive supervision, and alternative living; aftercare; and the Juvenile Court Diversion Program. Case management and classification involves evaluating youths' needs before they are assigned to one of the division's programs and managing their service delivery plan during their entire length of stay with the division. Community care involves treatment of youth in the community without the youth being placed in a DYS facility. Alternative living purchased by the division includes foster care and proctor care for juveniles who cannot return to their home. Day treatment programs provide education and treatment services for youth who continue to live at home. Intensive supervision provides tracking and mentoring to youth in the community. Aftercare is the provision of counseling and other services to help juveniles return to their families and communities when released from one of the division's facilities. Finally, the Juvenile Court Diversion Program encourages local communities to develop programs to divert youth from commitment to DYS.

Fiscal Year 2009 Governor's Recommendations

- \$520,000 Education Improvement Fund to replace passenger vans.
- \$68,448 to compensate for the inflation in food costs.
- \$1,386,461 for pay plan, including \$1,208,512 general revenue.
- (\$447,440) core reduction for one-time expenditures.
- (\$24,999) Youth Services Products Fund core reduction from the Fiscal Year 2008 appropriation level.

**DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET DIVISION**

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDS FY 2009 |
|---|-------------------------|--------------------------|-----------------------------------|
| Administrative Services | \$ 47,825,014 | \$ 100,237,717 | \$ 138,723,017 |
| MO HealthNet Vendor Payments and Managed Care | 4,611,198,073 | 5,334,733,240 | 5,958,311,997 |
| State Medical | 26,364,550 | 27,732,719 | 30,777,061 |
| Health Care Technology | 26,886,274 | 2,375,000 | 17,500,000 |
| TOTAL | \$ 4,712,273,911 | \$ 5,465,078,676 | \$ 6,145,312,075 |
| General Revenue Fund | 1,003,336,071 | 1,166,279,423 | 1,262,452,162 |
| Title XIX -Federal and Other Funds | 2,160,417,676 | 2,626,490,542 | 3,094,672,238 |
| DSS - Federal and Other Funds | 33,861,715 | 78,050,481 | 80,385,183 |
| Uncompensated Care Fund | 82,874,654 | 91,000,001 | 91,000,001 |
| Pharmacy Rebates Fund | 37,271,986 | 50,454,979 | 67,955,528 |
| Third Party Liability Collections Fund | 15,019,994 | 23,167,824 | 23,178,128 |
| Federal Reimbursement Allowance Fund | 1,046,357,902 | 1,004,731,814 | 1,090,534,494 |
| Pharmacy Reimbursement Allowance Fund | 9,886,790 | 31,933,124 | 31,933,855 |
| Medicaid Managed Care Organization | | | |
| Reimbursement Allowance Fund | 13,473,183 | 46,983,825 | 46,983,825 |
| Nursing Facility Federal Reimbursement | | | |
| Allowance Fund | 194,883,723 | 214,021,731 | 214,021,731 |
| Nursing Facility Quality of Care Fund | 75,313 | 538,449 | 540,794 |
| Health Initiatives Fund | 15,135,696 | 20,549,789 | 27,558,637 |
| Healthy Families Trust Fund | 0 | 64,779,494 | 67,977,034 |
| Healthy Families Trust Fund-Health Care | | | |
| Treatment and Access Account | 50,959,100 | 0 | 0 |
| Healthy Families Trust Fund-Life | | | |
| Sciences Research Account | 33,250,000 | 21,750,000 | 21,750,000 |
| Missouri Rx Plan Fund | 8,147,698 | 10,709,260 | 10,730,525 |
| Premium Fund | 7,322,410 | 13,637,940 | 13,637,940 |

ADMINISTRATIVE SERVICES

The MO HealthNet Division is an intermediary for provision of services to participants, including both participants and providers. The agency's structure includes two major sections: (1) Finance and Operations and (2) Clinical Services.

Finance and Operations work to incorporate the newest and best technology to accurately and efficiently pay providers in a paperless environment. Technology is a robust reporting function that is critical to the management responsibilities of the division. The resultant database of paid claims is used to monitor the programs, provide program integrity, and compile data to project financial needs and trends. Provider enrollment and relations, participant services, and premium collections are also functions under the Finance and Operations section.

The Clinical Services section oversees pharmacy enhancement and rebates, the exception program, the psychology program, and the Missouri Rx Plan. Program development and the driving force of policy decisions come from the Clinical Services section, allowing for policy decisions and processes to be oriented to the health and continuum of care needed by participants. The Clinical Services unit reaches out to organizations through existing contracts, such as the University of Missouri Health Management Team, to assist in needed data mining and analysis. This information is used to make informed decisions about the consequences of proposed changes. The process allows for examination and analysis of performance in terms of efficiency of operations and anticipated health status outcomes. Utilizing a variety of sources, the Clinical Services unit establishes best practices based on evidence-based reviews. Missouri collaborates with other state Medicaid agencies to make high-quality evidence available as a basis for making policy decisions about benefit design and coverage.

**DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET DIVISION**

ADMINISTRATIVE SERVICES (Continued)

Fiscal Year 2009 Governor's Recommendations

- \$22,800,580 for MO HealthNet participant case management, including \$9,600,702 general revenue.
- \$758,050 for MO HealthNet Program implementation, including \$379,025 general revenue.
- \$100,000 to fund comprehensive vision examinations for children entering kindergarten and first grade, including \$50,000 general revenue.
- \$309,035 for pay plan, including \$116,636 general revenue.
- \$15,749,999 reallocated to MO HealthNet participant case management, including \$4,954,378 general revenue.
- (\$1,132,364) federal funds core reduction to align authority with anticipated expenditures.
- (\$100,000) core reduction for one-time expenditures supporting the managed care actuarial study, including (\$50,000) general revenue.

MO HEALTHNET VENDOR PAYMENTS AND MANAGED CARE

The MO HealthNet Program (Title XIX of the Social Security Act) is a federal-state effort to pay the health care of those who cannot pay for their own care. Federal law sets the minimum provisions for any state that opts to administer a Medicaid program. These include hospital; physician; Early and Periodic Screening, Diagnostic and Treatment (EPSDT); lab and x-ray; skilled nursing home care; home health care; Federally Qualified Health Centers; rural health clinics; non-emergency transportation; and family planning services.

The 1115 Waiver is a federal-state effort to pay for women's health services. The SCHIP State Plan is the federal-state effort to pay for the health care of uninsured children above existing MO HealthNet eligibility limits up to 300 percent of the federal poverty level. Children will receive a benefit package equal to MO HealthNet coverage, though non-emergency medical transportation is not available to children in families with income above 150 percent of the federal poverty level.

**MO HEALTHNET EXPENDITURES
SELECTED SERVICES AND ANNUAL TOTALS**

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDS FY 2009 |
|---|-------------------------|--------------------------|-----------------------------------|
| Pharmacy | \$ 724,811,525 | \$ 966,950,906 | \$ 1,001,844,593 |
| Physicians | 419,648,512 | 480,762,260 | 499,500,857 |
| Dental | 9,164,713 | 10,163,381 | 29,765,760 |
| Premium Payments | 136,223,472 | 153,556,238 | 148,162,552 |
| Nursing Facilities and Home Health | 486,450,924 | 586,907,397 | 593,591,808 |
| Rehabilitation and Specialty Services | 167,467,845 | 196,540,908 | 244,816,588 |
| Managed Care | 770,695,453 | 999,330,249 | 1,124,414,599 |
| Hospital Care | 700,126,006 | 692,156,205 | 694,293,493 |
| Safety Net Hospitals | 5,132,381 | 23,000,000 | 8,000,000 |
| FRA, NFFRA, and UCC | 1,006,206,467 | 965,840,231 | 924,140,231 |
| Health Care Access | 2,387,382 | 2,977,449 | 13,516,804 |
| Children's Health Insurance Program | 110,619,955 | 163,842,163 | 179,893,859 |
| Insure Missouri | 0 | 13,235,001 | 416,900,001 |
| Department of Elementary and Secondary Education Services | 31,297,663 | 33,369,908 | 33,369,908 |
| MO HealthNet Supplemental Pool | 32,235,775 | 35,698,085 | 35,698,085 |
| Other MO HealthNet | 8,730,000 | 10,402,859 | 10,402,859 |
| Total | \$ 4,611,198,073 | \$ 5,334,733,240 | \$ 5,958,311,997 |

**DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET DIVISION**

MO HEALTHNET VENDOR PAYMENTS AND MANAGED CARE (Continued)

Fiscal Year 2009 Governor's Recommendations

- \$347,565,000 to implement Phase 2 of Insure Missouri, including \$27,400,000 general revenue.
- \$103,447,666 to apply a 9.6 percent pharmacy trend factor and a 10.1 percent non-pharmacy trend factor for both utilization and cost component increases for managed care in the eastern, central, and western regions, including \$37,533,380 general revenue.
- \$72,432,099 to address the anticipated increases in the Pharmacy Program due to new drugs, therapies, utilization, and inflation, including \$9,138,353 general revenue.
- \$50,553,244 for a physicians rate increase to move MO HealthNet reimbursement rates to within 65% of Medicare provider rates, including \$17,938,382 general revenue.
- \$40,725,479 for an adjustment to address the change in the Medicaid federal participation percentage, including \$10,464,644 general revenue.
- \$26,177,343 for a nursing facility rate increase, including \$9,685,617 general revenue.
- \$24,627,787 for coverage of prescribed medically necessary dental and optometric services pursuant to SB 577 (2007), including \$9,112,281 general revenue.
- \$14,400,000 Federal Reimbursement Allowance Fund necessary to replace hospital program general revenue transferred to support Insure Missouri.
- \$12,962,561 for expansion of the Women's Health Program, including \$1,988,346 general revenue.
- \$8,642,000 federal and other funds for tobacco cessation pharmacy coverage for MO HealthNet participants.
- \$7,011,231 for a dental provider rate increase to raise MO HealthNet reimbursement rates, including \$2,485,362 general revenue.
- \$6,517,378 for anticipated increases in Medicare Part A and B premiums, including \$2,417,491 general revenue.
- \$4,785,876 to support the SB 577 (2007) State Children's Health Insurance Program's expansion, including \$1,239,542 general revenue.
- \$2,447,251 for an inflation cost and utilization increase to the non-emergency medical transportation rate, including \$905,483 general revenue.
- \$1,317,151 to fund comprehensive vision examinations for children entering kindergarten and first grade pursuant to SB 16 (2007), including \$479,164 general revenue.
- \$1,250,000 federal funds for an electronic prior authorization system for durable medical services.
- \$420,156 for anticipated increases to Medicare hospice rates, including \$155,458 general revenue.
- \$184,940 for an \$0.88 rate increase for in-home direct care workers, including \$68,428 general revenue.
- \$28,825,357 reallocated from program lines to align MO HealthNet program activity with funding, including \$717,725 general revenue.
- (\$68,525,675) core reduction from program lines to align appropriation authority with anticipated expenditures, including (\$28,000,000) general revenue.
- (\$40,725,479) core reduction for an adjustment to address the change in the Medicaid federal participation percentage, including (\$30,260,835) general revenue.
- (\$15,000,000) federal funds core reduction to align Tier 1 Safety Hospital authority with expenditure levels.
- (\$6,462,608) core reduction due to an increase in the nursing facility patient surplus, including (\$2,391,165) general revenue.

STATE MEDICAL

The MO HealthNet Program allows individuals who do not meet categorical eligibility criteria for Title XIX to receive nearly all of the same services which are reimbursed for Title XIX eligibles, including non-institutional, nursing facility, and hospital care. These individuals include Child Welfare Services, Blind Pension, Presumptive Eligibility for Pregnant Women recipients, and youth in the custody of the Division of Youth Services.

Fiscal Year 2009 Governor's Recommendations

- \$2,261,618 for a physicians rate increase to move MO HealthNet reimbursement rates to within 65 percent of Medicare provider rates.
- \$827,837 to address the rising costs in the Pharmacy Program due to new drugs, therapies, utilization, and inflation.
- \$14,638 for a dental provider rate increase to raise MO HealthNet reimbursement rates.
- \$6,087 to fund comprehensive vision examinations for children entering kindergarten and first grade pursuant to SB 16 (2007).
- (\$65,838) reallocated to MO HealthNet participant case management.

**DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET DIVISION**

HEALTH CARE TECHNOLOGY

Health care technology funding supports projects that promote the use of technology in health care, and create data automation systems that provide critical information about the population served. These initiatives also improve the delivery of care, reduce administrative burdens, and reduce waste, fraud and abuse.

Fiscal Year 2009 Governor's Recommendations

- \$15,000,000 transferred to the Health Care Technology Fund for projects and initiatives to improve the delivery of care; reduce administrative burdens; and reduce waste, fraud, and abuse, including \$7,000,000 general revenue.
- \$2,500,000 federal funds for the MO HealthNet Program health care technology initiatives.
- (\$2,375,000) federal funds reallocated to Clinical Services Management and program lines.

ELECTED OFFICIALS

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDED* FY 2009 |
|--|------------------------|--------------------------|-------------------------------------|
| Office of the Chief Executive | \$ 3,155,304 | \$ 2,121,567 | \$ 2,178,373 |
| Lieutenant Governor | 721,610 | 740,050 | 751,361 |
| Secretary of State | 50,949,704 | 60,028,189 | 50,627,357 |
| State Auditor | 6,782,491 | 8,431,513 | 8,655,980 |
| State Treasurer | 31,296,448 | 19,903,870 | 26,466,069 |
| Attorney General | 23,680,870 | 27,324,562 | 28,480,046 |
| TOTAL | \$ 116,586,427 | \$ 118,549,751 | ** \$ 117,159,186 |
| General Revenue Fund | 52,230,989 | 48,501,656 | 51,393,361 |
| Federal Funds | 6,232,923 | 9,226,200 | 9,336,311 |
| National Endowment for the Humanities Fund | 86,877 | 265,144 | 241,949 |
| Election Administration Improvement Fund | 20,865,213 | 13,470,631 | 13,574,158 |
| Election Improvement Revolving Loan Fund | 0 | 396,185 | 396,185 |
| State Treasurer's General Operations Fund | 1,651,347 | 1,778,777 | 1,824,020 |
| Treasurer's Information Fund | 2,454 | 8,000 | 8,000 |
| Secretary of State's Technology Trust Fund Account | 2,580,290 | 3,161,139 | 3,526,568 |
| Gaming Commission Fund | 133,752 | 136,846 | 140,029 |
| Central Check Mailing Service Revolving Fund | 148,095 | 247,309 | 247,978 |
| Natural Resources Protection Fund - Water Pollution Permit Fee Subaccount | 39,226 | 40,261 | 41,327 |
| Solid Waste Management Fund | 39,726 | 40,761 | 41,827 |
| Local Records Preservation Fund | 1,570,142 | 2,130,101 | 1,965,665 |
| Petroleum Storage Tank Insurance Fund | 23,667 | 24,377 | 25,108 |
| Motor Vehicle Commission Fund | 47,270 | 48,355 | 49,467 |
| Health Spa Regulatory Fund | 5,000 | 5,000 | 5,000 |
| Natural Resources Protection Fund - Air Pollution Permit Fee Subaccount | 39,201 | 40,236 | 41,302 |
| Attorney General's Court Costs Fund | 143,065 | 187,000 | 187,000 |
| Conservation Commission Fund | 43,175 | 44,397 | 45,651 |
| Parks Sales Tax Fund | 20,256 | 20,870 | 21,496 |
| Soil and Water Sales Tax Fund | 33,297 | 34,233 | 35,192 |
| Merchandising Practices Revolving Fund | 1,597,697 | 2,546,152 | 2,566,162 |
| Petition Audit Revolving Trust Fund | 154,353 | 820,678 | 844,350 |
| Workers' Compensation Fund | 377,029 | 460,411 | 468,101 |
| Workers' Compensation Fund - Second Injury Fund | 2,764,789 | 2,835,525 | 2,889,840 |
| Lottery Enterprise Fund | 52,083 | 53,647 | 55,256 |
| Hazardous Waste Fund | 282,200 | 290,220 | 298,481 |
| Safe Drinking Water Fund | 13,787 | 14,133 | 14,489 |
| Missouri Office of Prosecution Services Fund | 947,638 | 1,492,879 | 2,020,441 |
| Investors Restitution Fund | 218,509 | 55,000 | 55,000 |
| Attorney General Trust Fund | 754,121 | 1 | 1 |
| Inmate Incarceration Reimbursement Act Revolving Fund | 76,552 | 134,906 | 137,584 |
| Investor Education and Protection Fund | 548,052 | 749,007 | 760,666 |
| State Document Preservation Fund | 8,606 | 285,179 | 189,260 |
| Missouri Office of Prosecution Services Revolving Fund | 98,076 | 150,000 | 150,000 |
| Abandoned Fund Account | 22,741,043 | 16,825,931 | 23,341,001 |
| Mined Land Reclamation Fund | 13,759 | 14,104 | 14,459 |
| Missouri State Archives - St. Louis Trust Fund | 0 | 12,000,000 | 1 |
| Secretary of State - Wolfner State Library Fund | 2,168 | 14,500 | 206,500 |

* By historical custom, a governor seldom changes other statewide elected officials' budget proposals. Therefore, the governor's inclusion of recommendations for funding should not be construed to be an endorsement of the requests.

** Does not include \$156,524 recommended in the Fiscal Year 2008 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the Secretary of State supplemental appropriations.

OFFICE OF THE CHIEF EXECUTIVE

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDED FY 2009 |
|-------------------------------|------------------------|--------------------------|------------------------------------|
| Governor's Office and Mansion | \$ 2,011,851 | \$ 2,091,565 | \$ 2,148,371 |
| National Guard Emergency | 1,113,453 | 1 | 1 |
| Special Audits | 30,000 | 30,000 | 30,000 |
| Governmental Emergency Fund | 0 | 1 | 1 |
| TOTAL | | | |
| General Revenue Fund | \$ 3,155,304 | \$ 2,121,567 | \$ 2,178,373 |

| | | | |
|--------------------------------|-------|-------|-------|
| Full-time equivalent employees | 35.27 | 34.00 | 34.00 |
|--------------------------------|-------|-------|-------|

GOVERNOR'S OFFICE AND MANSION

Article IV, Section 1 of the Missouri Constitution describes the duties and responsibilities of the Governor. This program includes the statutory salary of the Governor, funds for personnel in the Governor's offices and the mansion, and the expense and equipment costs for the offices and mansion.

Fiscal Year 2009 Governor's Recommendations

- \$56,806 for pay plan.

NATIONAL GUARD EMERGENCY/HOMELAND SECURITY

The Missouri National Guard, when called to active duty by the Governor under Section 41.480, RSMo, has the authority to restore law and order and assist in the disaster relief of any section of the state where circumstances exceed the resources of local civil authorities. The most common use of the guard has been for cleanup and security following natural disasters, such as a flood or tornado, and public action during a time of local disorder.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

SPECIAL AUDITS

Section 26.060, RSMo, authorizes the Governor to call for special audits of any entity receiving state funds when the public interest of the state will be served.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

GOVERNMENTAL EMERGENCY FUND COMMITTEE

Sections 33.700 through 33.730, RSMo, creates the Governmental Emergency Fund Committee and allocation procedures for appropriations of emergency funds. Funds from this appropriation may be allocated by a majority vote of the Governmental Emergency Fund Committee members for the purpose of meeting emergency and unanticipated requirements. The committee consists of the Governor, Commissioner of Administration, the chair and ranking minority member of the Senate Appropriations Committee, the chair and ranking minority member of the House Appropriations Committee, and the director of the Division of Facilities Management, Design and Construction who serves as an ex-officio consultant to the committee.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

LIEUTENANT GOVERNOR

Article IV, Section 10 of the Missouri Constitution describes the duties and responsibilities of the Lieutenant Governor. The statutory salary of the Lieutenant Governor and funds for the personnel and expense and equipment costs in operating the Office of the Lieutenant Governor are included in this program. The Lieutenant Governor presides over the Senate, is the Chair of the Missouri Rx Program, the Co-Chair of the Personal Independence Commission, and the Secretary of the Board of Public Buildings and serves on the Missouri Development Finance Board, the Missouri Housing Development Commission, and the Second State Capitol Commission.

Proposition C, passed by voters in November 1992, established the Office of Advocacy and Assistance for the Elderly in the Lieutenant Governor's Office. The proposition also made the Lieutenant Governor a member of the Tourism, Economic Development, and Fund Commissioners boards and an advisor for educational programs.

Fiscal Year 2009 Governor's Recommendations

- \$11,311 for pay plan.

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDED FY 2009 |
|--------------------------------|------------------------|--------------------------|------------------------------------|
| Personal Service | \$ 373,181 | \$ 376,975 | \$ 388,286 |
| Expense and Equipment | 348,429 | 63,075 | 63,075 |
| Program Specific Distribution | 0 | 300,000 | 300,000 |
| TOTAL | | | |
| General Revenue Fund | \$ 721,610 | \$ 740,050 | \$ 751,361 |
| Full-time equivalent employees | 6.31 | 8.50 | 8.50 |

SECRETARY OF STATE

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDED FY 2009 |
|--|------------------------|--------------------------|------------------------------------|
| Administration | \$ 14,655,556 | \$ 17,507,499 | \$ 17,462,253 |
| Elections | 26,485,330 | 18,322,211 | 19,955,738 |
| Record Preservation Programs | 377,541 | 12,965,323 | 846,210 |
| Missouri Library Programs | 9,431,277 | 11,233,156 | 12,363,156 |
| TOTAL | \$ 50,949,704 | \$ 60,028,189 | \$ 50,627,357 |
| PERSONAL SERVICE | | | |
| General Revenue Fund | 7,012,821 | 7,550,591 | 7,794,550 |
| Federal Funds | 407,147 | 610,744 | 629,065 |
| National Endowment for the Humanities Fund | 86,877 | 234,902 | 241,949 |
| Election Administration Improvement Fund | 187,897 | 157,664 | 261,191 |
| Secretary of State's Technology Trust Fund Account | 153,013 | 238,844 | 246,009 |
| Local Records Preservation Fund | 883,624 | 1,012,152 | 1,042,516 |
| Investor Education and Protection Fund | 367,987 | 388,643 | 400,302 |
| State Document Preservation Fund | 8,302 | 95,919 | 0 |
| EXPENSE AND EQUIPMENT | | | |
| General Revenue Fund | 6,665,615 | 6,509,937 | 7,297,759 |
| Federal Funds | 867,767 | 830,487 | 830,487 |
| National Endowment for the Humanities Fund | 0 | 30,242 | 0 |
| Election Administration Improvement Fund | 2,617,233 | 5,499,990 | 5,499,990 |
| Secretary of State's Technology Trust Fund Account | 2,427,277 | 2,922,295 | 3,280,559 |
| Local Records Preservation Fund | 404,460 | 717,949 | 523,149 |
| Investor Education and Protection Fund | 180,065 | 360,364 | 360,364 |
| State Document Preservation Fund | 304 | 25,000 | 25,000 |
| Secretary of State - Wolfner State Library Fund | 2,168 | 14,500 | 206,500 |
| PROGRAM SPECIFIC DISTRIBUTION | | | |
| General Revenue Fund | 8,094,478 | 9,637,457 | 10,797,457 |
| Federal Funds | 2,022,019 | 2,362,087 | 2,362,087 |
| Local Records Preservation Fund | 282,058 | 400,000 | 400,000 |
| Election Administration Improvement Fund | 18,060,083 | 7,812,977 | 7,812,977 |
| Election Improvement Revolving Loan Fund | 0 | 396,185 | 396,185 |
| Investors Restitution Fund | 218,509 | 55,000 | 55,000 |
| Missouri State Archives - St. Louis Trust Fund | 0 | 12,000,000 | 1 |
| State Document Preservation Fund | 0 | 164,260 | 164,260 |
| TOTAL | \$ 50,949,704 | \$ 60,028,189 | \$ 50,627,357 |
| General Revenue Fund | 21,772,914 | 23,697,985 | 25,889,766 |
| Federal Funds | 3,296,933 | 3,803,318 | 3,821,639 |
| National Endowment for the Humanities Fund | 86,877 | 265,144 | 241,949 |
| Election Administration Improvement Fund | 20,865,213 | 13,470,631 | 13,574,158 |
| Election Improvement Revolving Loan Fund | 0 | 396,185 | 396,185 |
| Secretary of State's Technology Trust Fund Account | 2,580,290 | 3,161,139 | 3,526,568 |
| Local Records Preservation Fund | 1,570,142 | 2,130,101 | 1,965,665 |
| Investors Restitution Fund | 218,509 | 55,000 | 55,000 |
| Investor Education and Protection Fund | 548,052 | 749,007 | 760,666 |
| Missouri State Archives - St. Louis Trust Fund | 0 | 12,000,000 | 1 |
| State Document Preservation Fund | 8,606 | 285,179 | 189,260 |
| Secretary of State - Wolfner State Library Fund | 2,168 | 14,500 | 206,500 |
| Full-time equivalent employees | 264.61 | 276.30 | 277.30 |

ELECTED OFFICIALS SECRETARY OF STATE

ADMINISTRATION

The Office of the Secretary of State is organized as follows:

Administrative Services – provides central budgeting, payroll, human resources, accounting, supplies, and mailroom services for all areas of the office. Responsibilities also include publication of the official manual of the state of Missouri, the Constitution, corporation laws, securities laws, the uniform commercial code manual, notary public laws, trademark laws, primary election returns, and the state and general assembly roster.

Elections Services – prepares ballots, certifies candidates, canvasses election returns, certifies initiative petitions, and maintains the statewide voter registration database.

Record Services – provides for the maintenance, retention, preservation, and disposal of official records of the state and local governments of Missouri.

Administrative Rules and Legal Services – serves as the central filing office for all rules and regulations promulgated by departments of the state of Missouri.

Securities Services – works to protect Missouri investors from fraud and maintains an orderly securities market in the state. The Securities Commissioner administers the Missouri Uniform Securities Act.

Business Services – administers the laws and filings of corporations and non-profit organizations. The division is the central filing office and custodian of all filings on business and professional loans. Additionally, the division commissions public notaries.

Missouri State Library – supports or works in concert with public, academic, and institutional libraries of the state with grant support, consultant services, development of criteria for establishment of libraries, collection development, and resource sharing. The library serves as a research and reference library for state government and the legislature and as the central outlet for census data information.

Wolfner Library for the Blind and Physically Handicapped – provides a variety of Braille, large print books, talking books recorded on cassette and discs, as well as cassette and disc playback equipment for eligible blind, visually impaired, physically disabled, and learning disabled citizens. The federal government, through the National Library Service, provides production of the materials, equipment, and postal charges for their distribution. The state of Missouri pays for staffing and the cost of housing the collections of material and equipment for staff to operate the service.

Fiscal Year 2009 Governor's Recommendations

- \$428,778 Secretary of State's Technology Trust Fund Account for the notification for renewal of business registrations.
- \$192,000 Secretary of State – Wolfner State Library Fund for the transfer of taped materials to a digital format.
- \$145,819 and one staff to implement the Safe At Home Program, pursuant to HB 583 (2007).
- \$293,045 for pay plan, including \$225,536 general revenue.
- (\$1,064,744) core reduction for one-time expenditures, including (\$799,430) general revenue.
- (\$40,144) transferred to the Office of Administration for leases.

ELECTIONS

Initiative, Referendum, and Constitutional Amendments Expenses – funds are provided to allow for the publication of the texts of initiative petitions and referendums in newspapers prior to their consideration by the electorate of the state of Missouri. Payments are made in accordance with Chapter 125, RSMo, for constitutional amendments and Chapter 126, RSMo, for initiative petitions and referendums.

Absentee Ballots – funds are provided to allow for fees and costs for establishing and maintaining the business reply and postage-free mail for absentee envelopes returned by voters, in accordance with Section 115.285, RSMo.

**ELECTED OFFICIALS
SECRETARY OF STATE**

ELECTIONS (Continued)

Election Printing and Federal Election Reform – provisional ballot envelopes must be provided for local election authorities to use in elections of federal candidates, statewide candidates, or statewide issues. In addition, the Elections Division must print and distribute voter registration applications in accordance with federal laws.

Fiscal Year 2009 Governor's Recommendations

- \$1,500,000 for publishing of initiative petitions for each statewide ballot measure.
- \$95,919 federal funds and two staff reallocated from Record Preservation Programs.
- \$30,000 for reimbursement to counties for absentee ballots.
- \$7,608 other funds for pay plan.

RECORD PRESERVATION PROGRAMS

Local Records Grants – these funds are user fees designated for local records preservation. Missouri local governments submit proposals that address their specific needs in archive/records management. The Historical Records Advisory Board in concert with the Local Records Program Fiscal Grants Officer will establish priorities, implement, and audit the return of money to local governments.

Document Preservation – these funds are private donations designated for preservation of documents of legal, historical, and genealogical importance to the state of Missouri.

Fiscal Year 2009 Governor's Recommendations

- \$7,047 other funds for pay plan.
- (\$12,030,241) other funds core reduction from the Fiscal Year 2008 appropriation level.
- (\$95,919) other funds and (two) staff reallocated to Elections.

MISSOURI LIBRARY PROGRAMS

State Aid for Public Libraries – the Missouri Constitution authorizes the state to support and aid public libraries. Consistent with this authority and the procedure set out in Section 181.060, RSMo, the Missouri State Library distributes funds to eligible public libraries on the basis of population served by the library district. A public library becomes eligible for participation if it has voted a local tax of at least ten cents per one hundred dollars assessed valuation. Local libraries use state funds to supplement local support.

Remote Electronic Access for Libraries – the Remote Electronic Access for Libraries (REAL) project is designed to connect all public libraries in Missouri to each other and the Internet through dedicated data connections. Library patrons will have quick access to resources beyond those available solely within their community.

Literacy Investment for Tomorrow – the Missouri State Library serves as fiscal agent for the state literacy resource center, Literacy Investment for Tomorrow (LIFT) in St. Louis. The center promotes and develops resources for organizations that provide literacy services.

Federal Aid for Public Libraries – the Missouri State Library administers federal grants under the federal Library Services and Construction Act. The library distributes funds to local public libraries for personnel, books, other library materials, and for general operating expenses to develop and improve library services. In addition, funds are available to local groups of libraries for improving local library cooperation. All costs for cooperative projects, except book purchases and building construction, are eligible for funding.

Fiscal Year 2009 Governor's Recommendations

- \$1,130,000 transferred to the Library Networking Fund pursuant to Section 143.183, RSMo.

STATE AUDITOR

The State Auditor's Office works to ensure the proper use of public funds and to improve the efficiency and effectiveness of Missouri government by performing audits of state agencies, boards and commissions, the circuit court system, third-class counties, and other political subdivisions upon petition by the voters. These audits examine financial accountability, waste, opportunities for fraud, and whether government organizations and programs are achieving their purposes and operating economically and efficiently. All audits are performed in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. The audit reports are delivered to the Governor, the General Assembly, the auditee, and interested citizens. The State Auditor also provides an annual audit of the state's comprehensive annual financial report and federal grant programs administered by the state, reviews and registers general obligation bond issues of the state's political subdivisions, prepares fiscal notes for ballot initiatives, performs an Annual Forfeiture Report, and reviews property tax rates proposed by political subdivisions for compliance with state law.

Fiscal Year 2009 Governor's Recommendations

- \$224,467 for pay plan, including \$184,265 general revenue.

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDED FY 2009 |
|-------------------------------------|------------------------|--------------------------|------------------------------------|
| PERSONAL SERVICE | | | |
| General Revenue Fund | \$ 5,565,733 | \$ 6,142,150 | \$ 6,326,415 |
| Federal Funds | 247,004 | 468,224 | 482,270 |
| Conservation Commission Fund | 40,565 | 41,786 | 43,040 |
| Parks Sales Tax Fund | 20,256 | 20,870 | 21,496 |
| Soil and Water Sales Tax Fund | 19,533 | 20,124 | 20,728 |
| Petition Audit Revolving Trust Fund | 138,370 | 789,062 | 812,734 |
| EXPENSE AND EQUIPMENT | | | |
| General Revenue Fund | 717,072 | 884,947 | 884,947 |
| Federal Funds | 15,365 | 30,123 | 30,123 |
| Conservation Commission Fund | 2,610 | 2,611 | 2,611 |
| Petition Audit Revolving Trust Fund | 15,983 | 31,616 | 31,616 |
| TOTAL | \$ 6,782,491 | \$ 8,431,513 | \$ 8,655,980 |
| General Revenue Fund | 6,282,805 | 7,027,097 | 7,211,362 |
| Federal Funds | 262,369 | 498,347 | 512,393 |
| Conservation Commission Fund | 43,175 | 44,397 | 45,651 |
| Parks Sales Tax Fund | 20,256 | 20,870 | 21,496 |
| Soil and Water Sales Tax Fund | 19,533 | 20,124 | 20,728 |
| Petition Audit Revolving Trust Fund | 154,353 | 820,678 | 844,350 |
| Full-time equivalent employees | 124.79 | 168.77 | 168.77 |

STATE TREASURER

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDED FY 2009 |
|---|------------------------|--------------------------|------------------------------------|
| Administration | \$ 2,950,185 | \$ 2,903,869 | \$ 2,966,068 |
| Issuing Duplicate and Outlawed Checks | 866,674 | 1,000,000 | 1,000,000 |
| Abandoned Fund Account | 27,479,589 | 16,000,001 | 22,500,001 |
| TOTAL | \$ 31,296,448 | \$ 19,903,870 | \$ 26,466,069 |
| PERSONAL SERVICE | | | |
| State Treasurer's General Operations Fund | 1,400,167 | 1,508,122 | 1,553,365 |
| Central Check Mailing Service Revolving Fund | 21,659 | 22,309 | 22,978 |
| Workers' Compensation Fund - Second Injury Fund | 39,390 | 40,572 | 41,789 |
| Abandoned Fund Account | 477,783 | 502,331 | 517,401 |
| EXPENSE AND EQUIPMENT | | | |
| State Treasurer's General Operations Fund | 251,180 | 270,655 | 270,655 |
| Treasurer's Information Fund | 2,454 | 8,000 | 8,000 |
| Central Check Mailing Service Revolving Fund | 126,436 | 225,000 | 225,000 |
| Workers' Compensation Fund - Second Injury Fund | 3,280 | 3,280 | 3,280 |
| Abandoned Fund Account | 627,836 | 323,600 | 323,600 |
| PROGRAM SPECIFIC DISTRIBUTION | | | |
| General Revenue Fund | 6,710,839 | 1,000,001 | 1,000,001 |
| Abandoned Fund Account | 21,635,424 | 16,000,000 | 22,500,000 |
| TOTAL | \$ 31,296,448 | \$ 19,903,870 | \$ 26,466,069 |
| General Revenue Fund | 6,710,839 | 1,000,001 | 1,000,001 |
| State Treasurer's General Operations Fund | 1,651,347 | 1,778,777 | 1,824,020 |
| Treasurer's Information Fund | 2,454 | 8,000 | 8,000 |
| Central Check Mailing Service Revolving Fund | 148,095 | 247,309 | 247,978 |
| Workers' Compensation Fund - Second Injury Fund | 42,670 | 43,852 | 45,069 |
| Abandoned Fund Account | 22,741,043 | 16,825,931 | 23,341,001 |
| Full-time equivalent employees | 48.51 | 49.40 | 49.40 |

ADMINISTRATION

The State Treasurer is responsible for receiving and investing state moneys, posting receipts to the proper funds, and signing warrants drawn according to law. As custodian of those funds, the Treasurer determines the amount of state moneys not needed for current operating expenses and invests those funds in interest-bearing time deposits in Missouri banking institutions or in short-term United States government obligations. The Treasurer is required to give due consideration to the preservation of state funds and the comparative yields available. The Treasurer also must determine whether the general welfare of the state is better served by investing state funds in United States securities or within the Missouri banking system.

The Treasurer also administers the state's unclaimed property law by collecting unclaimed or abandoned funds and property belonging to Missouri citizens and trying to locate the owners.

Fiscal Year 2009 Governor's Recommendations

- \$62,199 other funds for pay plan.

**ELECTED OFFICIALS
STATE TREASURER**

ISSUING DUPLICATE AND OUTLAWED CHECKS

These functions allow payment of claims against the state in cases where checks are not presented for payment within 12 months of issuance as required by law and in cases where checks are presented for payment more than five years after the date of issuance.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

ABANDONED FUND ACCOUNT

In accordance with Section 447.543, RSMo, the Abandoned Fund Account has the two-fold purpose of receiving funds that have remained unclaimed for a period of seven years and making the payment of valid claims. Any time the fund exceeds \$50,000, the Treasurer may, and at least once every year shall, transfer the excess to general revenue. If verified claims for payment should reduce the balance in the account to less than \$25,000, the Treasurer shall transfer from general revenue an amount sufficient to restore the fund to \$50,000.

Fiscal Year 2009 Governor's Recommendations

- \$6,500,000 Abandoned Fund Account to increase the abandoned funds to general revenue transfer to reflect the anticipated receipts.

ATTORNEY GENERAL

The Attorney General takes legal action to protect the rights and interests of the state, defends or prosecutes appeals to which the state is a party, provides opinions regarding state law, and assists prosecuting attorneys in the prosecution of cases. The Office of the Attorney General has several responsibilities for which specific funds have been established by law.

Section 27.080, RSMo, establishes the Attorney General's Court Costs Fund to receive deposits and make payments of court costs in litigation requiring the appearance of the Attorney General. This fund is supplemented by a transfer from general revenue.

Section 416.081, RSMo, creates the Antitrust Revolving Fund which is made up of deposits of ten percent of any court settlement of antitrust litigation involving the Attorney General. This fund is supplemented by a transfer from general revenue.

Chapter 287, RSMo, provides for the Attorney General to charge the Second Injury Fund for the cost of defending the fund.

Section 56.750, RSMo, establishes the Missouri Office of Prosecution Services within the Attorney General's Office. The Prosecution Services Office is funded through fees assessed as court costs in criminal cases. The office was established to develop uniform training and procedures for Missouri's prosecuting attorneys.

Sections 407.1070 to 407.1085, RSMo, establishes a no-call database to be maintained by the Attorney General for citizens who object to receiving telephone solicitations at home.

Fiscal Year 2009 Governor's Recommendations

- \$340,985 Missouri Office of Prosecution Services Fund for the development of a database tool for charging sex offenders for the Missouri Office of Prosecution Services.
- \$178,131 Missouri Office of Prosecution Services Fund to develop a sentencing tool in the Missouri Office of Prosecution Services.
- \$89,615 and one staff for a Family Violence Resource Attorney in the Missouri Office of Prosecution Services.
- \$546,753 for pay plan, including \$357,927 general revenue.

ELECTED OFFICIALS

ATTORNEY GENERAL (Continued)

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR RECOMMENDED FY 2009 |
|--|------------------------|--------------------------|------------------------------------|
| Administration | \$ 22,459,251 | \$ 24,614,904 | \$ 25,149,135 |
| Missouri Office of Prosecution Services | 1,221,619 | 2,709,658 | 3,330,911 |
| TOTAL | \$ 23,680,870 | \$ 27,324,562 | \$ 28,480,046 |
| PERSONAL SERVICE | | | |
| General Revenue Fund | 11,417,930 | 11,930,900 | 12,342,899 |
| Federal Funds | 2,030,535 | 2,591,454 | 2,669,198 |
| Gaming Commission Fund | 118,006 | 106,099 | 109,282 |
| Merchandising Practices Revolving Fund | 692,559 | 667,026 | 687,036 |
| Workers' Compensation Fund | 349,782 | 256,358 | 264,048 |
| Workers' Compensation Fund - Second Injury Fund | 1,781,439 | 1,769,947 | 1,823,045 |
| Missouri Office of Prosecution Services Fund | 184,726 | 281,569 | 290,015 |
| Hazardous Waste Remedial Fund | 267,320 | 275,340 | 283,601 |
| Other Funds | 320,186 | 346,510 | 356,904 |
| EXPENSE AND EQUIPMENT | | | |
| General Revenue Fund | 1,929,562 | 1,749,256 | 1,784,799 |
| Federal Funds | 635,833 | 2,081,182 | 2,081,182 |
| Gaming Commission Fund | 15,746 | 30,747 | 30,747 |
| Attorney General's Court Costs Fund | 143,065 | 187,000 | 187,000 |
| Merchandising Practices Revolving Fund | 904,694 | 1,879,126 | 1,879,126 |
| Workers' Compensation Fund | 27,247 | 204,053 | 204,053 |
| Workers' Compensation Fund - Second Injury Fund | 940,680 | 1,020,726 | 1,020,726 |
| Missouri Office of Prosecution Services Fund | 760,517 | 1,171,310 | 1,690,426 |
| Hazardous Waste Remedial Fund | 14,880 | 14,880 | 14,880 |
| Missouri Office of Prosecution Services Revolving Fund | 98,076 | 150,000 | 150,000 |
| Other Funds | 797,970 | 83,380 | 83,380 |
| PROGRAM SPECIFIC DISTRIBUTION | | | |
| General Revenue Fund | 240,025 | 234,800 | 234,800 |
| Federal Funds | 7,253 | 251,899 | 251,899 |
| Merchandising Practices Revolving Fund | 444 | 0 | 0 |
| Workers' Compensation Fund - Second Injury Fund | 0 | 1,000 | 1,000 |
| Missouri Office of Prosecution Services Fund | 2,395 | 40,000 | 40,000 |
| TOTAL | \$ 23,680,870 | \$ 27,324,562 | \$ 28,480,046 |
| General Revenue Fund | 13,587,517 | 13,914,956 | 14,362,498 |
| Federal Funds | 2,673,621 | 4,924,535 | 5,002,279 |
| Gaming Commission Fund | 133,752 | 136,846 | 140,029 |
| Attorney General's Court Costs Fund | 143,065 | 187,000 | 187,000 |
| Merchandising Practices Revolving Fund | 1,597,697 | 2,546,152 | 2,566,162 |
| Workers' Compensation Fund | 377,029 | 460,411 | 468,101 |
| Workers' Compensation Fund - Second Injury Fund | 2,722,119 | 2,791,673 | 2,844,771 |
| Missouri Office of Prosecution Services Fund | 947,638 | 1,492,879 | 2,020,441 |
| Hazardous Waste Remedial Fund | 282,200 | 290,220 | 298,481 |
| Missouri Office of Prosecution Services Revolving Fund | 98,076 | 150,000 | 150,000 |
| Other Funds | 1,118,156 | 429,890 | 440,284 |
| Full-time equivalent employees | 420.54 | 437.05 | 438.05 |

JUDICIARY

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | FY 2009 REQUEST | GOVERNOR RECOMMENDS FY 2009 |
|---|------------------------|--------------------------|-----------------------|-----------------------------------|
| Supreme Court & State Sentencing | | | | |
| Advisory Commission | \$ 7,880,188 | \$ 8,516,551 | \$ 9,056,941 | \$ 8,869,776 |
| Office of State Courts Administrator | 22,116,429 | 25,669,607 | 27,987,767 | 25,965,168 |
| Court of Appeals | 10,148,040 | 10,585,146 | 11,313,479 | 10,868,850 |
| Circuit Courts | 125,951,724 | 134,431,913 | 146,144,156 | 138,134,261 |
| Drug Courts | 5,225,500 | 5,225,500 | 8,725,500 | 5,225,500 |
| Commission on Retirement, Removal, and | | | | |
| Discipline of Judges | 190,781 | 215,461 | 215,461 | 220,644 |
| Appellate Judicial Commission | 2,028 | 7,741 | 7,741 | 7,741 |
| TOTAL | \$ 171,514,690 | \$ 184,651,919 | \$ 203,451,045 | \$ 189,291,940 |
| General Revenue Fund | 155,399,840 | 164,129,636 | 182,913,557 | 168,365,423 |
| Federal Funds | 5,712,966 | 10,284,578 | 10,290,773 | 10,408,187 |
| Third Party Liability Collections Fund | 261,257 | 373,208 | 373,208 | 380,563 |
| Statewide Court Automation Fund | 4,763,202 | 4,400,736 | 4,409,740 | 4,446,202 |
| Supreme Court Publications Revolving Fund | 122,997 | 150,000 | 150,000 | 150,000 |
| Missouri CASA Fund | 83,437 | 100,000 | 100,000 | 100,000 |
| Crime Victims' Compensation Fund | 887,141 | 887,200 | 887,200 | 887,200 |
| Circuit Courts Escrow Fund | 809,760 | 505,500 | 505,500 | 505,500 |
| Legal Services for Low-Income People Fund | 0 | 0 | 0 | 225,389 |
| Basic Civil Legal Services Fund | 3,231,161 | 3,291,061 | 3,291,061 | 3,293,476 |
| State Court Administration Revolving Fund | 136,432 | 230,000 | 230,006 | 230,000 |
| Domestic Relations Resolution Fund | 106,497 | 300,000 | 300,000 | 300,000 |
| Full-time equivalent employees | 3,309.95 | 3,404.05 | 3,658.18 | 3,404.05 |

DEPARTMENT SUMMARY

Governor Blunt's Fiscal Year 2009 budget provides a total of \$189.3 million for the Judiciary. The Judiciary ensures Missourians have a fair and accessible forum for the adjudication of civil disputes and criminal charges.

JUDICIARY

SUPREME COURT AND STATE SENTENCING ADVISORY COMMISSION

The Supreme Court has exclusive appellate jurisdiction in all cases involving: the validity of a treaty or statute of the United States or of a statute or provision of the Missouri Constitution; the construction of the state's revenue laws; the title to any state office; and, in all cases, where the punishment imposed is death. In addition, the court may order cases transferred to it from the Court of Appeals if the cases involve questions of general interest or importance, if the court thinks the existing law should be reexamined, if the opinion conflicts with prior opinions, or for other reasons provided by rule of the court. The Court of Appeals also may order a case transferred to the Supreme Court after opinion either by order of the Court of Appeals itself, or by the dissent of a court of appeals judge.

The court is also authorized by the Constitution to establish rules for practice and procedure in the courts and to make temporary transfers of judicial personnel. In addition to its decision-making powers, the Supreme Court supervises all lower courts in the state (assisted by the Office of State Courts Administrator), licenses all lawyers practicing in Missouri, and disciplines those found guilty of violating the Rules of Professional Conduct.

The first Missouri Sentencing Advisory Commission was created in HB 974 in 1990. The commission completed its work in 1998. In 2003, SB 5 revised the commission, creating new deadlines and responsibilities. The statutory requirements for the sentencing commission are:

- Study and evaluate sentencing disparity.
- Establish and distribute a system of recommended sentences.
- Study alternative sentencing and prepare a feasibility study.
- Publish, distribute, and revise recommended sentences every two years.

The commission is comprised of one member of the House, one member of the Senate, Director of the Department of Corrections, six members appointed by the Governor, and two members appointed by the Supreme Court.

Fiscal Year 2009 Governor's Recommendations

- \$225,389 Legal Services for Low-Income People Fund to provide legal services to low-income persons.
- \$127,836 for pay plan, including \$112,195 general revenue.

OFFICE OF STATE COURTS ADMINISTRATOR

The Office of State Courts Administrator fulfills the administrative obligations of the Supreme Court, which are mandated under the judicial article and the statutes. Staff of the office provides technical assistance, statistical analysis, financial system analysis, continuing education, and automation support functions for the courts. The office assists in policy direction for the Statewide Judicial Information System and Missouri Court Automation, collects and analyzes caseload data from the courts, develops and operates appellate and circuit record-keeping systems, develops and operates administrative systems, prepares the judicial budget, and maintains the personnel system for the courts. The office processes payrolls for all state-paid circuit court employees and all other state expenditures of the Supreme Court and circuit courts. The fundamental strategic goal is to build an integrated court system that renders geography largely irrelevant with greater efficiency, wider access, and enhanced accountability for the litigant and taxpayer.

Fiscal Year 2009 Governor's Recommendations

- \$295,561 for pay plan, including \$184,604 general revenue.

COURT OF APPEALS

Missouri's current appellate structure—a single Court of Appeals consisting of three districts—was established by a 1970 constitutional amendment. The Eastern District sits in St. Louis, the Western District sits in Kansas City, and the Southern District holds sessions in Springfield and Poplar Bluff. The number of judges in each district is set by statute. The Eastern District has 14 judges, the Western District has 11 judges, and the Southern District has 7 judges.

The Court of Appeals may issue and determine original remedial writs and has general appellate jurisdiction in all cases not within the exclusive jurisdiction of the Supreme Court. Cases not within the Supreme Court's exclusive jurisdiction may be transferred from the Court of Appeals to the Supreme Court when it is determined that a case involves an important issue that should be decided by the state's highest court.

Fiscal Year 2009 Governor's Recommendations

- \$283,704 for pay plan.

JUDICIARY

CIRCUIT COURTS

Circuit courts are established by Article V, Section 1 of the Constitution of Missouri. The boundaries, circuit number, and inclusive counties of the 45 circuits are established by Chapter 478, RSMo. The circuit court is the exclusive trial court in Missouri. It is comprised of circuit judges, associate circuit judges, and municipal judges. Municipalities under 400,000 population may, and those over 400,000 must, make provision for judges to hear municipal ordinance violations. If such provision is not made, municipalities will file such cases before an associate circuit judge.

Fiscal Year 2009 Governor's Recommendations

- \$43,560 to pay increased statutory court reporter fees under SB 163 (2007).
- \$3,658,788 for pay plan, including \$3,606,541 general revenue.

DRUG COURTS

The main purpose of a drug court program is to use the authority of the court to reduce crime by changing defendants' drug-using behavior. Under this concept, defendants are diverted to drug court programs in various ways and at various stages of the judicial process, depending on the circumstances. Drug courts provide the court system an additional tool to reduce the number of people coming into the court and penal systems because of substance abuse by reducing the rate of recidivism. Additionally, providing drug treatment programs decreases the negative consequences of drug abuse by reducing the number of additional cases filed involving family disputes, abuse and neglect, truancy, property crimes, and crimes of violence.

In 1998, the legislature passed HB 1147, which allows any circuit to establish a drug court that shall combine judicial supervision, drug testing, and treatment of drug court participants. HB 471, passed by the General Assembly in 2001, established a "Drug Court Coordinating Commission" composed of eight members: one member selected by the director of the Department of Corrections, one member selected by the director of the Department of Social Services, one member selected by the director of the Department of Mental Health, one member selected by the director of the Department of Public Safety, one member selected by the Office of State Courts Administrator, and three members selected by the Supreme Court. The commission is to evaluate, secure, coordinate, and allocate funding resources to the various drug courts around the state.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

COMMISSION ON RETIREMENT, REMOVAL, AND DISCIPLINE OF JUDGES

The Commission on Retirement, Removal, and Discipline of Judges, authorized in Article V, Section 24 of the Missouri Constitution, receives and investigates all requests and suggestions concerning retirement for disability and all complaints concerning misconduct of judges, members of the judicial commissions, and members of this commission. The commission is composed of two citizens who are not members of the bar and who are appointed by the Governor, two lawyers appointed by the governing body of the Missouri Bar, one judge of the Court of Appeals selected by a majority of the judges of the Court of Appeals, and one judge of the circuit courts selected by a majority of the circuit judges of this state.

Fiscal Year 2009 Governor's Recommendations

- \$5,183 for pay plan.

APPELLATE JUDICIAL COMMISSION

The Appellate Judicial Commission consists of a judge of the Supreme Court, one member of the bar from each appeals district, and one citizen not a member of the bar from each appeals district. The commission considers vacant judgeships of the Supreme Court or the Court of Appeals. The Circuit Judicial Commission consists of the chief judge of the Court of Appeals over the district, two members of the bar residing in the judicial circuit, and two citizens not members of the bar residing in the circuit. This commission considers vacancies in the office of circuit judge or associate circuit judge in those districts subject to nonpartisan selection of judges.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

OFFICE OF THE STATE PUBLIC DEFENDER

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | FY 2009 REQUEST | GOVERNOR RECOMMENDS FY 2009 |
|-------------------------------------|------------------------|--------------------------|--------------------|-----------------------------------|
| Defender Services | \$ 28,508,299 | \$ 29,289,104 | \$ 50,778,113 | \$ 30,510,313 |
| Federal Grants | 0 | 125,000 | 125,000 | 125,000 |
| Legal Defense and Defender Fund | 2,231,421 | 2,976,491 | 2,976,491 | 2,980,263 |
| Homicide/Conflict of Interest Cases | <u>2,241,492</u> | <u>3,391,502</u> | <u>17,556,502</u> | <u>3,391,502</u> |
| DEPARTMENT TOTAL | \$ 32,981,212 | \$ 35,782,097 * | \$ 71,436,106 | \$ 37,007,078 |
| PERSONAL SERVICE | | | | |
| General Revenue Fund | 24,566,435 | 25,604,904 | 39,526,233 | 26,373,051 |
| Legal Defense and Defender Fund | 56,897 | 125,735 | 125,735 | 129,507 |
| EXPENSE AND EQUIPMENT | | | | |
| General Revenue Fund | 6,183,356 | 7,075,702 | 28,808,382 | 7,528,764 |
| Legal Defense and Defender Fund | 2,135,774 | 2,819,276 | 2,812,006 | 2,812,006 |
| PROGRAM SPECIFIC DISTRIBUTION | | | | |
| Federal Funds | 0 | 125,000 | 125,000 | 125,000 |
| Legal Defense and Defender Fund | <u>38,750</u> | <u>31,480</u> | <u>38,750</u> | <u>38,750</u> |
| TOTAL | \$ 32,981,212 | \$ 35,782,097 | \$ 71,436,106 | \$ 37,007,078 |
| General Revenue Fund | 30,749,791 | 32,680,606 | 68,334,615 | 33,901,815 |
| Federal Funds | 0 | 125,000 | 125,000 | 125,000 |
| Legal Defense and Defender Fund | 2,231,421 | 2,976,491 | 2,976,491 | 2,980,263 |
| Full-time equivalent employees | 554.25 | 560.13 | 850.13 | 560.13 |

* Does not include \$145,680 recommended in the Fiscal Year 2008 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the Office of the State Public Defender supplemental appropriations.

OFFICE SUMMARY

The Sixth Amendment of the U.S. Constitution assures that no person accused of a crime and unable to pay for legal assistance shall face trial without counsel. Established in 1982, the Office of the State Public Defender exists as a system for providing defense services to every jurisdiction within the state by means of a centrally administered organization having a full-time staff. The State Public Defender System fulfills the constitutional guarantee of legal counsel for persons accused of criminal offenses in Missouri's 45 judicial circuits (embracing 114 counties and the City of St. Louis). Functioning as an independent department of the Missouri judicial branch, the Office of the State Public Defender is charged with providing legal defense for indigents accused of criminal offenses. Governor Blunt's Fiscal Year 2009 budget provides a total of \$37 million for the Office of the State Public Defender.

Fiscal Year 2009 Governor's Recommendations

- \$278,237 for increased operational costs.
- \$174,825 to pay increased statutory court reporter fees under SB 163 (2007).
- \$771,919 for pay plan, including \$768,147 general revenue.

GENERAL ASSEMBLY

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | FY 2009 REQUEST | GOVERNOR'S RECOMMENDATION |
|--|------------------------|--------------------------|----------------------|------------------------------|
| Expenses of the Senate | \$ 10,232,128 | \$ 10,561,249 | \$ 10,561,249 | \$ 10,870,574 |
| Expenses of the House of Representatives | 18,759,522 | 19,471,647 | 19,511,647 | 20,364,663 |
| Interstate Organizations | 191,042 | 334,747 | 334,747 | 334,747 |
| Committee on Legislative Research | 1,900,766 | 2,382,426 | 2,507,206 | 2,570,125 |
| Joint Committees of the General Assembly | 386,684 | 693,040 | 693,040 | 709,932 |
| TOTAL | \$ 31,470,142 | \$ 33,443,109 * | \$ 33,607,889 | \$ 34,850,041 |
| General Revenue Fund | 31,323,031 | 33,248,859 | 33,318,109 | 34,557,786 |
| House of Representatives Revolving Fund | 18,925 | 45,000 | 45,000 | 45,000 |
| Senate Revolving Fund | 20,000 | 40,000 | 40,000 | 40,000 |
| Statutory Revision Fund | 108,186 | 109,250 | 204,780 | 207,255 |
| Full-time equivalent employees | 667.04 | 712.84 | 713.34 | 713.34 |

* Does not include \$40,000 recommended in the Fiscal Year 2008 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the General Assembly supplemental appropriations.

GENERAL ASSEMBLY

EXPENSES OF THE SENATE

Article III of the Missouri Constitution provides for the legislative branch of Missouri state government, consisting of the House of Representatives and the Senate. The Senate is composed of 34 members elected for four-year terms.

The budget of the Senate includes funding for members' statutory salaries, travel reimbursement of 45.50 cents per mile, a per diem of \$87.20, staff support, and interim committee expenses. The Senate appropriation also includes funds for several joint committees.

Fiscal Year 2009 Governor's Recommendations

- \$309,325 for pay plan.

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | FY 2009 REQUEST | GOVERNOR'S RECOMMENDATION |
|--------------------------------|------------------------|--------------------------|--------------------|------------------------------|
| Salaries of Members | \$ 1,070,143 | \$ 1,071,448 | \$ 1,071,448 | \$ 1,152,156 |
| Mileage of Members | 56,165 | 96,435 | 96,435 | 96,435 |
| Per Diem of Members | 220,913 | 226,100 | 226,100 | 226,100 |
| Senate Contingent Expenses | 8,797,449 | 9,042,266 | 9,042,266 | 9,270,883 |
| Joint Contingent Expenses | 87,458 | 125,000 | 125,000 | 125,000 |
| TOTAL | \$ 10,232,128 | \$ 10,561,249 | \$ 10,561,249 | \$ 10,870,574 |
| General Revenue Fund | 10,212,128 | 10,521,249 | 10,521,249 | 10,830,574 |
| Senate Revolving Fund | 20,000 | 40,000 | 40,000 | 40,000 |
| Full-time equivalent employees | 206.37 | 214.00 | 214.00 | 214.00 |

GENERAL ASSEMBLY

EXPENSES OF THE HOUSE OF REPRESENTATIVES

Article III of the Missouri Constitution provides for the legislative branch of Missouri state government, consisting of the House of Representatives and the Senate. The House is composed of 163 members who are elected for two-year terms.

The budget of the House of Representatives includes funding for the members' statutory salaries, a per diem of \$80.20, travel reimbursement of 45.50 cents per mile, and staff support.

Fiscal Year 2009 Governor's Recommendations

- \$40,000 for mileage.
- \$853,016 for pay plan.

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | FY 2009 REQUEST | GOVERNOR'S RECOMMENDATION |
|---|------------------------|--------------------------|--------------------|------------------------------|
| Salaries of Members | \$ 5,076,864 | \$ 5,117,283 | \$ 5,117,283 | \$ 5,694,630 |
| Mileage of Members | 373,253 | 400,491 | 440,491 | 440,491 |
| Per Diem of Members | 941,292 | 1,290,960 | 1,290,960 | 1,290,960 |
| House Contingent Expenses | 10,784,329 | 11,051,904 | 11,051,904 | 11,327,028 |
| Representatives' Expense Vouchers | 1,564,859 | 1,566,009 | 1,566,009 | 1,566,554 |
| House Revolving Fund | 18,925 | 45,000 | 45,000 | 45,000 |
| TOTAL | \$ 18,759,522 | \$ 19,471,647 | \$ 19,511,647 | \$ 20,364,663 |
| General Revenue Fund | 18,740,597 | 19,426,647 | 19,466,647 | 20,319,663 |
| House of Representatives Revolving Fund | 18,925 | 45,000 | 45,000 | 45,000 |
| Full-time equivalent employees | 412.31 | 441.84 | 441.84 | 441.84 |

GENERAL ASSEMBLY

INTERSTATE ORGANIZATIONS

Missouri's dues to the Council of State Governments, the National Conference of State Legislatures, and the National Conference of Commissioners on Uniform State Laws are paid from these funds.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR'S RECOMMENDATION |
|------------------------------|------------------------|--------------------------|------------------------------|
| Interstate Organization Dues | \$ 191,042 | \$ 334,747 | \$ 334,747 |
| General Revenue Fund | \$ 191,042 | \$ 334,747 | \$ 334,747 |

COMMITTEE ON LEGISLATIVE RESEARCH

ADMINISTRATION

In accordance with Sections 23.010 through 23.190, RSMo, a permanent joint committee of the General Assembly is established, comprised of the chair of the Senate Appropriations Committee and nine other senators, and the chair of the House Budget Committee and nine other representatives. The Committee on Legislative Research has staff support to perform the following services for the members of the General Assembly:

- Provide a research and reference service on legislative issues.
- Make investigations into legislative and governmental institutions to aid the General Assembly.
- Assist any interim legislative committee or commission created by the General Assembly.
- Draft or aid in drafting bills, resolutions, memorials, and amendments.
- Prepare fiscal notes for legislation introduced in either house of the General Assembly.
- Conduct management audits and performance audits of state agencies.
- Maintain a legislative library for a reference service to the General Assembly and public.

Fiscal Year 2009 Governor's Recommendations

- \$95,530 Statutory Revision Fund for computer equipment and training.
- \$29,250 and .5 staff to annualize funding for staff added in Fiscal Year 2008.
- \$62,919 for pay plan, including \$60,444 general revenue.

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | GOVERNOR'S RECOMMENDATION |
|--------------------------------|------------------------|--------------------------|------------------------------|
| Administration | \$ 1,067,536 | \$ 1,230,447 | \$ 1,054,354 |
| Statute Publication | 274,841 | 277,501 | 587,714 |
| Oversight Division | 558,389 | 666,678 | 685,522 |
| Budget Office | 0 | 207,800 | 242,535 |
| TOTAL | \$ 1,900,766 | \$ 2,382,426 | \$ 2,570,125 |
| General Revenue Fund | 1,792,580 | 2,273,176 | 2,362,870 |
| Statutory Revision Fund | 108,186 | 109,250 | 207,255 |
| Full-time equivalent employees | 38.79 | 46.00 | 46.50 |

GENERAL ASSEMBLY

JOINT COMMITTEES

These are statutory committees composed of members of the House and Senate and, in some cases, gubernatorial appointees.

Fiscal Year 2009 Governor's Recommendations

- \$16,892 for pay plan.

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | FY 2009 REQUEST | GOVERNOR'S RECOMMENDATION |
|---|------------------------|--------------------------|--------------------|------------------------------|
| Joint Committee Corrections | \$ 1,433 | \$ 12,000 | \$ 12,000 | \$ 12,000 |
| Joint Committee on Administrative Rules | 103,275 | 126,095 | 126,095 | 128,977 |
| Joint Committee Retirement System | 147,571 | 164,835 | 164,835 | 169,274 |
| Joint Capital Improvements Committee | 70,515 | 126,086 | 126,086 | 129,300 |
| Joint Committee on Transportation | 15,772 | 107,524 | 107,524 | 110,536 |
| Joint Committee on Tax Policy | 48,118 | 76,500 | 76,500 | 78,045 |
| Joint Committee on Education | 0 | 80,000 | 80,000 | 81,800 |
| TOTAL | \$ 386,684 | \$ 693,040 | \$ 693,040 | \$ 709,932 |
| General Revenue Fund | 386,684 | 693,040 | 693,040 | 709,932 |

| | | | | |
|--------------------------------|------|-------|-------|-------|
| Full-time equivalent employees | 9.57 | 11.00 | 11.00 | 11.00 |
|--------------------------------|------|-------|-------|-------|

STATEWIDE REAL ESTATE

FINANCIAL SUMMARY

| | FY 2007 EXPENDITURE | FY 2008 APPROPRIATION | FY 2009 REQUEST | GOVERNOR RECOMMENDS FY 2009 |
|--|------------------------|--------------------------|-----------------------|-----------------------------------|
| Department of Elementary & Secondary Education | \$ 4,058,922 | \$ 6,753,093 | \$ 7,000,216 | \$ 7,027,161 |
| Department of Higher Education | 292,718 | 363,754 | 402,339 | 402,606 |
| Department of Revenue | 1,663,936 | 2,080,911 | 2,180,780 | 2,171,573 |
| Office of Administration | 1,831,122 | 2,456,018 | 2,846,696 | 2,869,170 |
| Department of Agriculture | 794,850 | 1,175,676 | 1,201,199 | 1,206,439 |
| Department of Natural Resources | 2,952,194 | 3,401,146 | 3,387,375 | 3,403,366 |
| Department of Economic Development | 4,670,086 | 4,840,322 | 4,584,672 | 4,590,192 |
| Department of Insurance, Financial Institutions and Professional Registration | 417,117 | 975,245 | 1,007,397 | 1,016,558 |
| Department of Labor and Industrial Relations | 1,665,255 | 1,754,148 | 1,916,200 | 1,920,672 |
| Department of Public Safety | 2,651,442 | 11,467,662 | 12,233,509 | 12,056,405 |
| Department of Corrections | 7,502,938 | 51,987,847 | 51,642,767 | 51,963,342 |
| Department of Mental Health | 2,728,517 | 15,699,744 | 16,542,586 | 16,647,363 |
| Department of Health and Senior Services | 5,734,085 | 6,080,839 | 6,167,352 | 6,188,524 |
| Department of Social Services | 23,012,129 | 26,178,639 | 25,512,728 | 25,592,815 |
| Elected Officials | 5,398,879 | 5,628,640 | 6,899,249 | 6,864,007 |
| Judiciary | 2,650,809 | 2,614,324 | 2,887,502 | 2,891,963 |
| TOTAL | \$ 68,024,999 | \$ 143,458,008 * | \$ 146,412,567 | \$ 146,812,156 |
| General Revenue Fund | 40,810,895 | 106,190,419 | 111,770,702 | 110,101,018 |
| Federal Funds | 18,416,684 | 23,627,113 | 21,562,976 | 23,638,688 |
| Other Funds | 8,797,420 | 13,640,476 | 13,078,889 | 13,072,450 |

* Does not include \$1,346,677 recommended in the Fiscal Year 2008 Supplemental Appropriations, including \$1,100,093 general revenue. See the Supplemental section of the Missouri Budget for details regarding the Real Estate supplemental appropriations.

DEPARTMENT SUMMARY

The Division of Facilities Management, Design and Construction (DFMDC) provides oversight for all leased facilities, state-owned facilities and most institutional facilities. DFMDC continues efforts to terminate leases and consolidate state agencies within state-owned space where possible with additional consolidations planned for Fiscal Year 2009. The consolidation of space has allowed the redirection of existing funds to offset other costs.

Benchmarking

DFMDC utilizes a real estate consulting service to conduct a market rate analysis of the cost of rental rates throughout various regions of the state. In addition, benchmark comparisons with the Federal General Services Administration (GSA) and other state governments are made to ensure that the State of Missouri rates are competitive. The State of Missouri rental rates for state-owned and leased facilities are comparable or below the private sector rates, GSA and other state rates.

Rental Rates

The Fiscal Year 2009 budgeted rental rates for expiring leased facilities are as follows:

| <u>MARKET AREA</u> | <u>BUDGETED RENTAL RATE</u> |
|--------------------|-----------------------------|
| Metro | \$15.00 |
| St. Louis County | \$17.85 |
| Large City | \$12.50 |
| Outstate | \$11.00 |

STATEWIDE REAL ESTATE

DEPARTMENT SUMMARY (Continued)

The Fiscal Year 2009 budgeted rental rates for state-owned facilities are as follows:

| FACILITY | RATE | FACILITY | RATE | FACILITY | RATE |
|--------------------|-------------|--------------------|-------------|-------------------|-------------|
| Capitol | \$ 6.55 | Mental Health | \$ 5.37 | Feed & Seed Lab | \$ 8.38 |
| Broadway | \$ 6.50 | Mo. Boulevard | \$ 8.03 | DOLIR | \$ 5.58 |
| Supreme Court | \$ 5.54 | Petro Lab | \$11.75 | Fletcher Daniels | \$ 5.83 |
| Jefferson Building | \$ 6.53 | DEQ Lab | \$ 7.48 | Penney | \$ 4.82 |
| Gov. Mansion | \$ 9.02 | Howerton | \$ 5.23 | Landers | \$ 6.93 |
| Kirkpatrick | \$ 6.10 | Prof. Registration | \$ 5.24 | St. Joseph | \$ 6.22 |
| Truman Building | \$ 8.23 | Lewis & Clark | \$ 6.84 | Mill Creek | \$10.03 |
| Wainwright | \$ 8.00 | DED Hannibal | \$ 6.10 | DED St. Louis | \$ 5.52 |
| OA Garage | \$ 4.07 | DED Joplin | \$ 6.42 | 9900 Page | \$12.18 |
| Simpson | \$ 4.97 | Surplus Property | \$ 1.03 | DOLIR-Springfield | \$ 6.99 |
| Prince Hall | \$ 8.57 | DED Sedalia | \$ 5.37 | DOLIR-Gateway | \$ 5.49 |
| DED St. Joseph | \$11.61 | DED Sikeston | \$ 4.54 | DOLIR-Dunklin | \$ 6.24 |
| Chateau | \$ 4.38 | New Health Lab | \$10.54 | DOLIR-Adams | \$ 3.47 |
| North Serv. Center | \$12.86 | South Serv. Center | \$16.98 | Jennings | \$17.34 |

The Fiscal Year 2009 budgeted rental rates for institutional facilities are as follows:

| AGENCY | RATE | AGENCY | RATE |
|--------------------|-----------------|---------------|-----------------|
| DESE | \$1.86 - \$2.72 | DOR-Lottery | \$1.56 |
| Agriculture | \$.52 | DPS-Veterans | \$1.80 - \$3.14 |
| DPS-Highway Patrol | \$1.74 - \$6.11 | DOC | \$1.97 - \$6.84 |
| Mental Health | \$2.14 - \$4.45 | DSS | \$1.15 - \$5.13 |

DFMDC provides asset management for all state-owned, leased properties, and institutional facilities totaling in excess of 24 million sq. ft. of space. The following departments are located within those facilities:

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

DFMDC is responsible for the oversight and management of approximately 36 lease contracts, totaling over 194,000 sq. ft., approximately 178,000 sq. ft. of space located within state-owned facilities, and approximately 1,100,000 of sq. ft. of institutional space on behalf of the Department of Elementary and Secondary Education.

Fiscal Year 2009 Governor's Recommendations

- \$33,419 for real estate administrative charges attributable to pay plan and associated fringes, including \$20,908 general revenue.
- \$2,834,686 reallocated from various departmental real estate budgets, including \$2,642,638 general revenue.
- (\$2,587,111) reallocated to various departmental real estate budgets.
- (\$6,926) federal and other funds core reduction from the Fiscal Year 2008 appropriation level.

DEPARTMENT OF HIGHER EDUCATION

DFMDC is responsible for the oversight and management of two lease contracts, approximately 25,000 sq. ft. of leased space on behalf of the Department of Higher Education.

Fiscal Year 2009 Governor's Recommendations

- \$19,232 for janitorial, utility, and market rate increases.
- \$267 for real estate administrative charges attributable to pay plan and associated fringes, including \$83 general revenue.
- \$19,353 Guaranty Agency Operating Fund reallocated from various departmental real estate budgets.

STATEWIDE REAL ESTATE

DEPARTMENT SUMMARY (Continued)

DEPARTMENT OF REVENUE

DFMDC is responsible for the oversight and management of 14 lease contracts, totaling over 53,000 sq. ft. and approximately 296,000 sq. ft. of space located within state-owned facilities on behalf of the Department of Revenue and the Tax Commission. In addition, DFMDC is also responsible for the oversight and management of approximately three lease contracts, totaling over 26,000 sq. ft., approximately 400 sq. ft. of space located within state-owned facilities, and approximately 79,000 sq. ft. of institutional space on behalf of the Lottery Commission.

Fiscal Year 2009 Governor's Recommendations

- \$20,477 for real estate administrative charges attributable to pay plan and associated fringes, including \$20,192 general revenue.
- \$250,196 reallocated from various departmental real estate budgets, including \$127,716 general revenue.
- (\$123,254) Lottery Enterprise Fund reallocated to various departmental real estate budgets.
- (\$56,757) core reduction from the Fiscal Year 2008 appropriation level, including (\$29,684) general revenue.

OFFICE OF ADMINISTRATION

DFMDC is responsible for the oversight and management of 18 lease contracts, totaling over 78,000 sq. ft. and approximately 375,000 sq. ft. of space located within state-owned facilities on behalf of the Office of Administration. In addition, DFMDC is responsible for the oversight and management of one lease contract for approximately 7,000 sq. ft. of leased space on behalf of the Ethics Commission.

Fiscal Year 2009 Governor's Recommendations

- \$150,000 for real estate contingency needs.
- \$24,794 for janitorial, utility, and market rate increases.
- \$22,474 for real estate administrative charges attributable to pay plan and associated fringes, including \$22,045 general revenue.
- \$206,781 reallocated from various departmental real estate budgets.
- \$10,970 transferred from the Office of Administration for Information Technology leased space.
- (\$1,867) other funds reallocated to various departmental real estate budgets.

DEPARTMENT OF AGRICULTURE

DFMDC is responsible for the oversight and management of seven lease contracts, totaling approximately 27,000 sq. ft., approximately 55,000 sq. ft. of space located within state-owned facilities, and approximately 587,000 sq. ft. of institutional space on behalf of the Department of Agriculture.

Fiscal Year 2009 Governor's Recommendations

- \$3,343 for janitorial, utility, and market rate increases.
- \$5,240 for real estate administrative charges attributable to pay plan and associated fringes, including \$3,735 general revenue.
- \$357,987 reallocated from various departmental real estate budgets, including \$46,341 general revenue.
- (\$335,807) State Fair Fees Fund reallocated to various departmental real estate budgets.

DEPARTMENT OF NATURAL RESOURCES

DFMDC is responsible for the oversight and management of approximately 38 lease contracts, totaling over 154,000 sq. ft. and approximately 180,000 sq. ft. of space located within state-owned facilities on behalf of the Department of Natural Resources.

Fiscal Year 2009 Governor's Recommendations

- \$15,991 for real estate administrative charges attributable to pay plan and associated fringes, including \$3,506 general revenue.
- \$11,918 for janitorial, utility, and market rate increases.
- \$7,273 transferred from the Department of Natural Resources, including \$2,122 general revenue.
- \$6,572 federal funds reallocated from various departmental real estate budgets.
- (\$39,534) other funds core reduction from the Fiscal Year 2008 appropriation level.

STATEWIDE REAL ESTATE

DEPARTMENT SUMMARY (Continued)

DEPARTMENT OF ECONOMIC DEVELOPMENT

DFMDC is responsible for the oversight and management of approximately 42 lease contracts, totaling over 223,000 sq. ft., approximately 198,000 sq. ft. of space located within state-owned facilities on behalf of the Department of Economic Development.

Fiscal Year 2009 Governor's Recommendations

- \$62,160 federal funds for additional space in Kirksville and St. Joseph.
- \$17,922 for real estate administrative charges attributable to pay plan and associated fringes, including \$2,549 general revenue.
- \$25,035 Division of Tourism Supplemental Revenue Fund transferred from the Department of Economic Development.
- \$17,500 other funds reallocated from various departmental real estate budgets.
- (\$297,933) federal and other funds core reduction from the Fiscal Year 2008 appropriation level.
- (\$74,814) reallocated to various departmental real estate budgets.

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

DFMDC is responsible for the oversight and management of six lease contracts, totaling 9,000 sq. ft. and approximately 116,000 sq. ft. of space located within state-owned facilities on behalf of the Department of Insurance, Financial Institutions and Professional Registration.

Fiscal Year 2009 Governor's Recommendations

- \$9,161 other funds for real estate administrative charges attributable to pay plan and associated fringes.
- \$32,152 other funds reallocated from various departmental real estate budgets.

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

DFMDC is responsible for the oversight and management of 24 lease contracts, totaling over 23,000 sq. ft. and approximately 247,000 sq. ft. of space located within state-owned facilities on behalf of the Department of Labor and Industrial Relations.

Fiscal Year 2009 Governor's Recommendations

- \$14,861 for real estate administrative charges attributable to pay plan and associated fringes, including \$627 general revenue.
- \$82,407 transferred from the Department of Labor and Industrial Relations, including \$1,802 general revenue.
- \$132,268 federal funds reallocated from various departmental real estate budgets.
- (\$52,057) federal and other funds core reduction from the Fiscal Year 2008 appropriation level.
- (\$10,955) reallocated to various departmental real estate budgets, including (\$566) general revenue.

DEPARTMENT OF PUBLIC SAFETY

DFMDC is responsible for the oversight and management of 27 lease contracts, totaling over 70,000 sq. ft, approximately 52,000 sq. ft. of space located within state-owned facilities, and approximately 987,000 sq. ft. of institutional space on behalf of the Department of Public Safety's Office of the Director, Veterans' Commission, Liquor Control, Capitol Police, Water Patrol and Fire Marshal.

In addition, DFMDC is responsible for the oversight and management of four lease contracts for approximately 36,000 sq. ft. of space on behalf of the Gaming Commission; approximately 76 lease contracts, totaling over 93,000 sq. ft., approximately 13,000 sq. ft. of space located within state-owned facilities, and approximately 451,000 sq. ft. of institutional space on behalf of the Missouri State Highway Patrol; and 20 lease contracts, totaling over 58,000 sq. ft. of space within leased facilities on behalf of the Missouri Adjutant General.

STATEWIDE REAL ESTATE

DEPARTMENT SUMMARY (Continued)

Fiscal Year 2009 Governor's Recommendations

- \$155,026 for janitorial, utility, and market rate increases.
- \$90,000 for the Highway Patrol Lab at Missouri Southern State University, including \$36,000 general revenue.
- \$79,603 State Highways and Transportation Department Fund for the Highway Patrol Tower at Troop C, Weldon Springs.
- \$48,000 for the Veterans' Commission free-space contingency.
- \$35,500 State Highways and Transportation Department Fund for the Highway Patrol Driver Exam free-space contingency.
- \$30,294 for the Veteran's Commission new space in Benton, Hickory, and Sullivan counties and temporary space at Fort Leonard Wood.
- \$24,293 for real estate administrative charges attributable to pay plan and associated fringes, including \$4,865 general revenue.
- \$16,000 State Highways and Transportation Department Fund for the Highway Patrol, Zone Offices and Crash Units free-space contingency.
- \$5,500 for the Water Patrol's free-space contingency.
- \$4,097,856 reallocated from various departmental real estate budgets, including \$2,311,551 general revenue.
- \$29,738 State Highways and Transportation Department Fund transferred from the Department of Public Safety.
- \$5,816 transferred from the Department of Public Safety, Water Patrol for additional space.
- (\$3,956,682) reallocated to various departmental real estate budgets, including (\$2,370,723) general revenue.
- (\$72,201) core reduction from the Fiscal Year 2008 appropriation level, including (\$70,086) general revenue

DEPARTMENT OF CORRECTIONS

DFMDC is responsible for the oversight and management of approximately 100 lease contracts, totaling over 549,000 sq. ft., approximately 94,000 sq. ft. of space located within state-owned facilities, and approximately 9,067,000 sq. ft. of institutional space on behalf of the Department of Corrections.

Fiscal Year 2009 Governor's Recommendations

- \$616,782 for janitorial, utility, and market rate increases.
- \$320,576 for real estate administrative charges attributable to pay plan and associated fringes, including \$313,456 general revenue.
- \$187,027 for additional space for Probation and Parole in Wentzville, Nixa, and Lake Ozark.
- \$10,500 for Probation and Parole free-space contingency.
- \$42,790,630 reallocated from various departmental real estate budgets, including \$41,229,032 general revenue.
- \$442,450 transferred from Department of Corrections for additional leased and institutional space.
- (\$43,639,947) transferred to various departmental real estate budgets, including (\$42,078,139) general revenue.
- (\$719,928) core reduction from the Fiscal Year 2008 appropriation level, including (\$86,848) general revenue.
- (\$32,595) Inmate Revolving Fund transferred to Department of Corrections from institutional space.

DEPARTMENT OF MENTAL HEALTH

DFMDC is responsible for the oversight and management of 44 lease contracts, totaling 134,000 sq. ft. and approximately 104,000 sq. ft. of space located within state-owned facilities, and approximately 4,400,000 of sq. ft. of institutional space on behalf of the Department of Mental Health.

Fiscal Year 2009 Governor's Recommendations

- \$104,777 for real estate administrative charges attributable to pay plan and associated fringes, including \$102,504 general revenue.
- \$13,593,196 reallocated from various departmental real estate budgets, including \$13,576,023 general revenue.
- (\$12,750,354) reallocated to various departmental real estate budgets.

STATEWIDE REAL ESTATE

DEPARTMENT SUMMARY (Continued)

DEPARTMENT OF HEALTH AND SENIOR SERVICES

DFMDC is responsible for the oversight and management of approximately 90 lease contracts, totaling over 346,000 sq. ft., approximately 183,000 sq. ft. of space located within state-owned facilities on behalf of the Department of Health and Senior Services.

Fiscal Year 2009 Governor's Recommendations

- \$21,172 for real estate administrative charges attributable to pay plan and associated fringes, including \$8,421 general revenue.
- \$132,072 reallocated from various departmental real estate budgets, including \$72,701 in general revenue.
- (\$45,559) Assistive Technology Loan Revolving Fund core reduction from the Fiscal Year 2008 appropriation level.

DEPARTMENT OF SOCIAL SERVICES

DFMDC is responsible for the oversight and management of approximately 167 lease contracts, totaling over 1.2 million sq. ft., approximately 782,000 sq. ft. of space located within state-owned facilities, and approximately 558,000 sq. ft. of institutional space on behalf of the Department of Social Services.

Fiscal Year 2009 Governor's Recommendations

- \$382,391 for janitorial, utility, and market rate increases.
- \$76,482 for real estate administrative charges attributable to pay plan and associated fringes, including \$64,693 general revenue.
- \$16,524 for additional space, including \$12,558 general revenue.
- \$339,624 federal funds reallocated from various departmental real estate budgets.
- \$33,534 transferred from the Department of Social Services for the Dexter County Office, including \$25,486 general revenue.
- \$24,152 transferred from the Department of Social Services for the St. Charles Training Center, including \$18,356 general revenue.
- \$10,800 transferred from the Department of Social Services for parking at the Fletcher Daniels State Office Building, including \$8,208 general revenue.
- (\$1,422,745) reallocated to various departmental real estate budgets, including (\$610,085) general revenue.
- (\$46,586) core reduction from the Fiscal Year 2008 appropriation level, including (\$33,694) general revenue.

ELECTED OFFICIALS

DFMDC is responsible for the oversight and management of three parking lease contracts and approximately 30,000 sq. ft. of space located within state-owned facilities on behalf of the State Auditor; 4,000 sq. ft. of leased space and approximately 285,000 sq. ft. of space located within state-owned facilities on behalf of the Missouri Legislature; approximately 5,000 sq. ft. of space located within state-owned facilities on behalf of the Lt. Governor's Office; approximately nine lease contracts, totaling over 104,000 sq. ft. and approximately 174,000 sq. ft. of space located within state-owned facilities on behalf of the Secretary of State; approximately 27,000 sq. ft. of space located within state-owned facilities on behalf of the State Treasurer's Office; approximately 13 lease contracts, totaling approximately 46,000 sq. ft., and approximately 106,000 sq. ft. of space located within state-owned facilities on behalf of the Attorney General; and approximately 42,000 sq. ft. of space located within state-owned facilities on behalf of the Governor's Office.

Fiscal Year 2009 Governor's Recommendations

- \$463,704 for the Secretary of State's additional archive space.
- \$372,946 for the Secretary of State's climate controlled storage space.
- \$210,886 for janitorial, utility, and market rate increases.
- \$48,158 for real estate administrative charges attributable to pay plan and associated fringes, including \$42,762 general revenue.
- \$254,055 reallocated from various departmental real estate budgets, including \$223,541 general revenue.
- \$36,757 transferred from the Secretary of State for fuel and utilities.
- \$3,387 transferred from the Secretary of State for additional space.
- (\$83,121) relocated to various departmental real estate budgets, including (\$1,192) general revenue.
- (\$71,405) other funds core reduction from the Fiscal Year 2008 appropriation level.

STATEWIDE REAL ESTATE

DEPARTMENT SUMMARY (Continued)

JUDICIARY

DFMDC is responsible for the oversight and management of six lease contracts, totaling over 145,000 sq. ft. and approximately 46,000 sq. ft. of space located within state-owned facilities on behalf of the Court of Appeals and the State Court Administrator.

Fiscal Year 2009 Governor's Recommendations

- \$219,972 for janitorial, utility, and market rate increases.
- \$4,461 for real estate administrative charges attributable to pay plan and associated fringes, including \$4,338 general revenue.
- \$53,206 reallocated from various departmental real estate budgets, including \$36,660 general revenue.

SUPPLEMENTAL APPROPRIATIONS

SUPPLEMENTAL APPROPRIATIONS

The Governor's recommendations for Fiscal Year 2008 Supplemental Appropriations include \$59,459,452 general revenue, \$21,152,839 federal funds, and \$101,465,661 other funds, for a total of \$182,077,952.

FISCAL YEAR 2008 REGULAR SUPPLEMENTAL BILL SUMMARY (HB 2014)

| | <u>GENERAL REVENUE</u> | <u>FEDERAL FUNDS</u> | <u>OTHER FUNDS</u> | <u>TOTAL*</u> |
|--|----------------------------|--------------------------|------------------------|----------------------|
| Department of Elementary and Secondary Education | \$ 20,967,992 | \$ 15,000 | \$ 32,688,981 | \$ 53,671,973 |
| Department of Higher Education | 8,000 | 0 | 330,000 | 338,000 |
| Department of Revenue | 1,473,365 | 0 | 80,646 | 1,554,011 |
| Department of Agriculture | 2,037,104 | 36,326 | 67,456 | 2,140,886 |
| Department of Natural Resources | 0 | 0 | 35,968 | 35,968 |
| Department of Economic Development | 100,000 | 0 | 0 | 100,000 |
| Department of Insurance, Financial Institutions and Professional Registration | 0 | 100,000 | 1,169,730 | 1,269,730 |
| Department of Public Safety | 1,961,723 | 0 | 1,021,902 | 2,983,625 |
| Department of Corrections | 4,189,672 | 0 | 0 | 4,189,672 |
| Department of Mental Health | 3,946,301 | 816,011 | 0 | 4,762,312 |
| Department of Health and Senior Services | 6,990,205 | 8,372,234 | 0 | 15,362,439 |
| Department of Social Services | 1,303,363 | 5,671,715 | 2,914,756 | 9,889,834 |
| Elected Officials | 156,524 | 0 | 0 | 156,524 |
| Office of Public Defender | 145,680 | 0 | 0 | 145,680 |
| General Assembly | 40,000 | 0 | 0 | 40,000 |
| Statewide Leasing | 1,100,093 | 91,552 | 155,032 | 1,346,677 |
| TOTAL HOUSE BILL 2014 | \$ 44,420,022 | \$ 15,102,838 | \$ 38,464,471 | \$ 97,987,331 |

*Excludes refunds and other items not included in Executive Budget totals.

**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
DIVISION OF ADMINISTRATION AND FINANCIAL SERVICES/SPECIAL EDUCATION
EQUITY FORMULA/EARLY CHILDHOOD SPECIAL EDUCATION PROGRAM**

| H.B. Sec. 14.005 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|--------------------------------------|---------------------------|----------------------|------------------------|
| PROGRAM SPECIFIC DISTRIBUTION | | | |
| Lottery Proceeds Fund | \$ 39,706,450 | \$ 1E | \$ 31,731,678E |
| State School Moneys Fund | 1,979,088,590 | 31,731,678E | 1E |
| Outstanding Schools Trust Fund | 586,115,085 | 1E | 1E |
| Classroom Trust Fund | 311,285,314 | 1E | 1E |
| TOTAL | \$ 2,916,195,439 | \$ 31,731,681 | \$ 31,731,681 |

The Governor recommends \$29,231,681 on an open-ended basis for increased costs of the equity line of the school foundation formula and \$2,500,000 for increased costs of the Early Childhood Special Education Program. The true cost of the Fiscal Year 2008 foundation formula will not be known until the end of the fiscal year.

**SUPPLEMENTAL APPROPRIATIONS
DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
DIVISION OF SCHOOL IMPROVEMENT
ADVANCED PLACEMENT PROGRAM**

| H.B. Sec. 14.010 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|-------------------------------|---------------------------|--------------------|------------------------|
| PROGRAM SPECIFIC DISTRIBUTION | | | |
| Federal Funds | \$ 20,000 | \$ 15,000 | \$ 15,000 |
| Lottery Proceeds Fund | <u>250,000</u> | <u>0</u> | <u>0</u> |
| TOTAL | \$ 270,000 | \$ 15,000 | \$ 15,000 |

The Governor recommends \$15,000 to allow the Department of Elementary and Secondary Education to expend available federal dollars for Advanced Placement exams for low-income students.

**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
DIVISION OF SPECIAL EDUCATION
HIGH NEED PROGRAM**

| H.B. Sec. 14.015 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|-------------------------------|---------------------------|--------------------|------------------------|
| PROGRAM SPECIFIC DISTRIBUTION | | | |
| Lottery Proceeds Fund | \$ 18,090,000 | \$ 1,500,000 | \$ 957,300 |

The Governor recommends \$957,300 for increased costs to the High Need Program.

**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
DIVISION OF SPECIAL EDUCATION
SHELTERED WORKSHOP PROGRAM**

| H.B. Sec. 14.020 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|-------------------------------|---------------------------|--------------------|------------------------|
| PROGRAM SPECIFIC DISTRIBUTION | | | |
| General Revenue Fund | \$ 18,598,625 | \$ 2,500,000 | \$ 2,500,000 |

The Governor recommends \$2,500,000 for increased costs to the Sheltered Workshop Program. HB 352 (2007) required a \$2 increase in the daily per diem rate, from \$13 to \$15, for Fiscal Year 2008.

**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
DIVISION OF ADMINISTRATIVE AND FINANCIAL SERVICES
EQUITY FORMULA TRANSFER**

| H.B. Sec. 14.025 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|----------------------|---------------------------|--------------------|------------------------|
| TRANSFER | | | |
| General Revenue Fund | \$ 2,033,582,289 | \$ 0 | \$ 18,467,992E |

The Governor recommends \$18,467,992 on an open-ended basis for transfer to the State School Moneys Fund for costs associated with the equity line of the school foundation formula. The true cost of the Fiscal Year 2008 foundation formula will not be known until the end of the fiscal year.

**SUPPLEMENTAL APPROPRIATIONS
DEPARTMENT OF HIGHER EDUCATION
DIVISION OF STUDENT FINANCIAL AID
HIGHER EDUCATION ACADEMIC SCHOLARSHIP (BRIGHT FLIGHT) PROGRAM**

| H.B. Sec. 14.030 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|-------------------------------|---------------------------|--------------------|------------------------|
| TRANSFER | | | |
| General Revenue Fund | \$ 16,359,000 | \$ 0 | \$ 0 |
| Advantage Missouri Trust Fund | 0 | 0 | 330,000 |
| TOTAL | \$ 16,359,000 | \$ 0 | \$ 330,000 |

The Governor recommends \$330,000 for transfer to the Academic Scholarship Fund to provide full funding for all students eligible for "Bright Flight" scholarships. Participation continues to be higher than expected and additional funds are necessary to honor the state's commitment to its brightest students.

**DEPARTMENT OF HIGHER EDUCATION
DIVISION OF STUDENT FINANCIAL AID
HIGHER EDUCATION ACADEMIC SCHOLARSHIP (BRIGHT FLIGHT) PROGRAM**

| H.B. Sec. 14.035 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|-------------------------------|---------------------------|--------------------|------------------------|
| PROGRAM SPECIFIC DISTRIBUTION | | | |
| Academic Scholarship Fund | \$ 16,359,000E | \$ 0 | \$ 330,000E |

The Governor recommends \$330,000 on an open-ended basis to provide full funding for all students eligible for "Bright Flight" scholarships. Participation continues to be higher than expected and additional funds are necessary to honor the state's commitment to its brightest students.

**DEPARTMENT OF HIGHER EDUCATION
DIVISION OF STUDENT FINANCIAL AID
PUBLIC SERVICE OFFICER OR EMPLOYEE SURVIVOR GRANT PROGRAM**

| H.B. Sec. 14.040 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|-------------------------------|---------------------------|--------------------|------------------------|
| PROGRAM SPECIFIC DISTRIBUTION | | | |
| General Revenue Fund | \$ 60,710 | \$ 8,000 | \$ 8,000 |

The Governor recommends \$8,000 to provide full funding for all students eligible for Public Service Officer or Employee Survivor grants. Grants are available to the children or spouses of certain public employees killed or permanently-totally disabled in the line of duty.

**SUPPLEMENTAL APPROPRIATIONS
DEPARTMENT OF REVENUE
DIVISION OF FISCAL SERVICES**

| H.B. Sec. 14.045 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|---|---------------------------|--------------------|------------------------|
| EXPENSE AND EQUIPMENT | | | |
| General Revenue Fund | \$ 4,129,925 | \$ 269,216 | \$ 269,216 |
| Department of Revenue Information Fund | 185,137 | 7,665 | 7,665 |
| Motor Vehicle Commission Fund | 40,843 | 1,684 | 1,684 |
| Health Initiatives Fund | 4,989 | 201 | 201 |
| Conservation Commission Fund | 1,247 | 50 | 50 |
| State Highways and Transportation Department Fund | 1,719,039 | 71,046 | 71,046 |
| TOTAL | \$ 6,081,180 | \$ 349,862 | \$ 349,862 |

The Governor recommends \$251,313 for additional postage required as a result of a United States Postal Service rate increase and \$98,549 to implement HB 453 (2007), which authorizes an income tax credit for donations to food pantries.

**DEPARTMENT OF REVENUE
DIVISION OF CUSTOMER SERVICES**

| H.B. Sec. 14.050 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|-------------------------------|---------------------------|--------------------|------------------------|
| PROGRAM SPECIFIC DISTRIBUTION | | | |
| General Revenue Fund | \$ 0 | \$ 500,000 | \$ 500,000 |

The Governor recommends \$500,000 for the payment of qualifying nonresident special needs adoption tax credits.

**DEPARTMENT OF REVENUE
DIVISION OF HIGHWAY COLLECTIONS**

| H.B. Sec. 14.055 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|----------------------|---------------------------|--------------------|------------------------|
| TRANSFER | | | |
| General Revenue Fund | \$ 0 | \$ 2,241,792 | \$ 704,149 |

The Governor recommends \$704,149 for transfer to the State Highways and Transportation Department Fund for Amendment 3 collection costs that exceeded the constitutional three percent limit.

**DEPARTMENT OF AGRICULTURE
AGENCY-WIDE**

| H.B. Sec. 14.060 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|-----------------------|---------------------------|--------------------|------------------------|
| EXPENSE AND EQUIPMENT | | | |
| General Revenue Fund | \$ 1,796,218 | \$ 69,373 | \$ 44,680 |
| Federal Funds | 1,427,726 | 27,369 | 36,326 |
| Other Funds | 3,371,282 | 50,824 | 67,456 |
| TOTAL | \$ 6,595,226 | \$ 147,566 | \$ 148,462 |

The Governor recommends \$148,462 for increased motor fuel costs.

**SUPPLEMENTAL APPROPRIATIONS
DEPARTMENT OF AGRICULTURE
OFFICE OF THE DIRECTOR
BIODIESEL PRODUCER INCENTIVES**

| H.B. Sec. 14.065 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|------------------|---------------------------|--------------------|------------------------|
|------------------|---------------------------|--------------------|------------------------|

TRANSFER

| | | | |
|----------------------|---------------|--------------|--------------|
| General Revenue Fund | \$ 26,775,000 | \$ 3,505,000 | \$ 1,418,578 |
|----------------------|---------------|--------------|--------------|

The Governor recommends \$1,418,578 for transfer to the Missouri Qualified Biodiesel Producer Incentive Fund for the payment of biodiesel producer incentives.

**DEPARTMENT OF AGRICULTURE
OFFICE OF THE DIRECTOR
BIODIESEL PRODUCER INCENTIVES**

| H.B. Sec. 14.070 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|------------------|---------------------------|--------------------|------------------------|
|------------------|---------------------------|--------------------|------------------------|

PROGRAM SPECIFIC DISTRIBUTION

| | | | |
|--|---------------|--------------|--------------|
| Missouri Qualified Biodiesel Producer Incentive Fund | \$ 26,775,000 | \$ 3,505,000 | \$ 1,418,578 |
|--|---------------|--------------|--------------|

The Governor recommends \$1,418,578 to fund the payment of biodiesel producer incentives.

**DEPARTMENT OF AGRICULTURE
MISSOURI STATE FAIR**

| H.B. Sec. 14.075 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|------------------|---------------------------|--------------------|------------------------|
|------------------|---------------------------|--------------------|------------------------|

PERSONAL SERVICE

| | | | |
|----------------------|------------|-----------|-----------|
| General Revenue Fund | \$ 551,047 | \$ 51,983 | \$ 51,983 |
| State Fair Fees Fund | 1,275,799 | 0 | 0 |

EXPENSE AND EQUIPMENT

| | | | |
|----------------------|------------------|----------|----------|
| General Revenue Fund | 0 | 521,863 | 521,863 |
| State Fair Fees Fund | <u>2,866,825</u> | <u>0</u> | <u>0</u> |

| | | | |
|--------------|--------------|------------|------------|
| TOTAL | \$ 4,693,671 | \$ 573,846 | \$ 573,846 |
|--------------|--------------|------------|------------|

| | | | |
|----------------------|-----------|---------|---------|
| General Revenue Fund | 551,047 | 573,846 | 573,846 |
| State Fair Fees Fund | 4,142,624 | 0 | 0 |

The Governor recommends \$573,846 to pay State Fair expenses.

**DEPARTMENT OF NATURAL RESOURCES
DIVISION OF GEOLOGY AND LAND SURVEY**

| H.B. Sec. 14.080 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|------------------|---------------------------|--------------------|------------------------|
|------------------|---------------------------|--------------------|------------------------|

| | | | |
|------------------|------|------|-----------|
| PERSONAL SERVICE | \$ 0 | \$ 0 | \$ 23,606 |
|------------------|------|------|-----------|

| | | | |
|-----------------------|----------|----------|---------------|
| EXPENSE AND EQUIPMENT | <u>0</u> | <u>0</u> | <u>12,362</u> |
|-----------------------|----------|----------|---------------|

TOTAL

| | | | |
|-------------------------|------|------|-----------|
| Geologic Resources Fund | \$ 0 | \$ 0 | \$ 35,968 |
|-------------------------|------|------|-----------|

The Governor recommends \$35,968 and 0.5 staff to implement a fee-based geologic and hydrologic resource assessment program to assist the minerals industry.

**SUPPLEMENTAL APPROPRIATIONS
DEPARTMENT OF ECONOMIC DEVELOPMENT
DIVISION OF TOURISM**

| H.B. Sec. 14.085 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|---|---------------------------|--------------------|------------------------|
| PERSONAL SERVICE | | | |
| Division of Tourism Supplemental Revenue Fund | \$ 1,567,366 | \$ 40,474 | \$ 0 |
| EXPENSE AND EQUIPMENT | | | |
| General Revenue Fund | 0 | 0 | 100,000 |
| Division of Tourism Supplemental Revenue Fund | <u>19,564,580</u> | <u>0</u> | <u>40,474</u> |
| TOTAL | \$ 21,131,946 | \$ 40,474 | \$ 140,474 |
| General Revenue Fund | 0 | 0 | 100,000 |
| Division of Tourism Supplemental Revenue Fund | 21,131,946 | 40,474 | 40,474 |

The Governor recommends \$100,000 for a portion of the cost of hosting the National Association of Counties conference in Kansas City and \$40,474 to contract for personnel to staff the new Eagleville Welcome Center.

**DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
INSURANCE OPERATIONS**

| H.B. Sec. 14.090 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|--------------------------|---------------------------|--------------------|------------------------|
| PERSONAL SERVICE | \$ 4,658,084 | \$ 740,358 | \$ 740,358 |
| EXPENSE AND EQUIPMENT | <u>1,112,754</u> | <u>400,209</u> | <u>400,209</u> |
| TOTAL | | | |
| Insurance Dedicated Fund | \$ 5,770,838 | \$ 1,140,567 | \$ 1,140,567 |

The Governor recommends \$1,140,567 and 11.75 staff to implement the provisions of SB 66 (2007) to switch funding for services not directly contributing to insurance examinations to the Insurance Dedicated Fund.

**DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
HEALTH INSURANCE COUNSELING**

| H.B. Sec. 14.095 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|-------------------------------|---------------------------|--------------------|------------------------|
| PROGRAM SPECIFIC DISTRIBUTION | | | |
| Federal Funds | \$ 600,000 | \$ 100,000 | \$ 100,000 |
| Insurance Dedicated Fund | <u>200,000</u> | <u>0</u> | <u>0</u> |
| TOTAL | \$ 800,000 | \$ 100,000 | \$ 100,000 |

The Governor recommends \$100,000 to allow the Department of Insurance, Financial Institutions and Professional Registration to utilize carryover funds and additional federal funds for the CLAIM (Community Leaders Assisting the Insured of Missouri) Program.

SUPPLEMENTAL APPROPRIATIONS
DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
DIVISION OF FINANCE

| H.B. Sec. 14.100 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|--------------------------|---------------------------|--------------------|------------------------|
| PERSONAL SERVICE | \$ 5,547,419 | \$ 0 | \$ 21,539 |
| EXPENSE AND EQUIPMENT | <u>707,858</u> | <u>0</u> | <u>4,498</u> |
| TOTAL | | | |
| Division of Finance Fund | \$ 6,255,277 | \$ 0 | \$ 26,037 |

The Governor recommends \$26,037 and .5 staff to establish a consumer hotline to provide information to Missouri homeowners at risk of foreclosure.

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
DIVISION OF PROFESSIONAL REGISTRATION
MISSOURI REAL ESTATE COMMISSION

| H.B. Sec. 14.105 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|--------------------------------------|---------------------------|--------------------|------------------------|
| EXPENSE AND EQUIPMENT | | | |
| Missouri Real Estate Commission Fund | \$ 287,544 | \$ 3,126 | \$ 3,126 |

The Governor recommends \$3,126 for payment of attorney fees.

DEPARTMENT OF PUBLIC SAFETY
MISSOURI CAPITOL POLICE

| H.B. Sec. 14.110 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|----------------------|---------------------------|--------------------|------------------------|
| PERSONAL SERVICE | | | |
| General Revenue Fund | \$ 1,362,178 | \$ 120,000 | \$ 120,000 |

The Governor recommends \$120,000 for additional police coverage in the Capitol Building.

DEPARTMENT OF PUBLIC SAFETY
MISSOURI STATE HIGHWAY PATROL

| H.B. Sec. 14.115 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|---|---------------------------|--------------------|------------------------|
| PERSONAL SERVICE | | | |
| General Revenue Fund | \$ 7,388,295 | \$ 620,000 | \$ 398,351 |
| State Highways and Transportation Department Fund | <u>59,357,431</u> | <u>1,000,000</u> | <u>0</u> |
| TOTAL | \$ 66,745,726 | \$ 1,620,000 | \$ 398,351 |

The Governor recommends \$398,351 for estimated overtime payments pursuant to Section 290.505, RSMo.

**SUPPLEMENTAL APPROPRIATIONS
DEPARTMENT OF PUBLIC SAFETY
MISSOURI STATE HIGHWAY PATROL**

| H.B. Sec. 14.120 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|---|---------------------------|--------------------|------------------------|
| EXPENSE AND EQUIPMENT | | | |
| General Revenue Fund | \$ 213,994 | \$ 137,712 | \$ 85,412 |
| Gaming Commission Fund | 246,329 | 137,711 | 137,711 |
| State Highways and Transportation Department Fund | <u>2,449,031</u> | <u>1,101,692</u> | <u>547,899</u> |
| TOTAL | \$ 2,909,354 | \$ 1,377,115 | \$ 771,022 |

The Governor recommends \$771,022 for motor fuel cost increases.

**DEPARTMENT OF PUBLIC SAFETY
MISSOURI STATE WATER PATROL**

| H.B. Sec. 14.125 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|-----------------------|---------------------------|--------------------|------------------------|
| EXPENSE AND EQUIPMENT | | | |
| General Revenue Fund | \$ 712,902 | \$ 250,575 | \$ 250,575 |

The Governor recommends \$250,575 for motor fuel cost increases.

**DEPARTMENT OF PUBLIC SAFETY
MISSOURI STATE WATER PATROL**

| H.B. Sec. 14.130 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|----------------------|---------------------------|--------------------|------------------------|
| TRANSFER | | | |
| General Revenue Fund | \$ 0 | \$ 1,133,236 | \$ 959,762 |

The Governor recommends \$959,762 to address a cash shortfall in the Missouri State Water Patrol Fund.

**DEPARTMENT OF PUBLIC SAFETY
DIVISION OF ALCOHOL AND TOBACCO CONTROL**

| H.B. Sec. 14.135 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|-----------------------|---------------------------|--------------------|------------------------|
| EXPENSE AND EQUIPMENT | | | |
| General Revenue Fund | \$ 421,823 | \$ 83,000 | \$ 78,468 |

The Governor recommends \$78,468 for a replacement filing system.

**SUPPLEMENTAL APPROPRIATIONS
DEPARTMENT OF PUBLIC SAFETY
DIVISION OF FIRE SAFETY**

| H.B. Sec. 14.140 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|--|---------------------------|--------------------|------------------------|
| PERSONAL SERVICE | | | |
| General Revenue Fund | \$ 1,895,168 | \$ 30,045 | \$ 0 |
| Missouri Explosives Safety Act Administration Fund | 0 | 25,482 | 25,482 |
| EXPENSE AND EQUIPMENT | | | |
| General Revenue Fund | 217,325 | 102,485 | 69,155 |
| Elevator Safety Fund | 79,146 | 4,000 | 4,000 |
| Boiler and Pressure Vessels Safety Fund | 53,300 | 4,000 | 4,000 |
| Missouri Explosives Safety Act Administration Fund | 0 | 52,810 | 52,810 |
| TOTAL | \$ 2,244,939 | \$ 218,822 | \$ 155,447 |
| General Revenue Fund | 2,112,493 | 132,530 | 69,155 |
| Elevator Safety Fund | 79,146 | 4,000 | 4,000 |
| Boiler and Pressure Vessels Safety Fund | 53,300 | 4,000 | 4,000 |
| Missouri Explosives Safety Act Administration Fund | 0 | 78,292 | 78,292 |

The Governor recommends \$78,292 and .75 staff for the blasting safety program established by HB 298 (2007), \$47,155 and one staff for the fire sprinkler inspection program established by HB 952 (2007), and \$30,000 for increased motor fuel costs.

**DEPARTMENT OF PUBLIC SAFETY
OFFICE OF ADJUTANT GENERAL
NATIONAL GUARD TUITION ASSISTANCE AND MILITARY HONORS PROGRAM**

| H.B. Sec. 14.145 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|------------------------------------|---------------------------|--------------------|------------------------|
| EXPENSE AND EQUIPMENT | | | |
| Missouri National Guard Trust Fund | \$ 1,219,325 | \$ 0 | \$ 250,000 |

The Governor recommends \$250,000 to ensure continued operations of the Military Veteran Honors Detail Program and to provide necessary funding for the National Guard Tuition Assistance Program.

**DEPARTMENT OF CORRECTIONS
DIVISION OF OFFENDER REHABILITATIVE SERVICES**

| H.B. Sec. 14.150 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|-----------------------|---------------------------|--------------------|------------------------|
| EXPENSE AND EQUIPMENT | | | |
| General Revenue Fund | \$ 111,923,357 | \$ 4,292,584 | \$ 4,189,672 |
| Federal Funds | 1E | 0 | 0 |
| TOTAL | \$ 111,923,358 | \$ 4,292,584 | \$ 4,189,672 |

The Governor recommends \$4,189,672 to provide funding for contractual increases related to constitutionally and statutorily mandated health care services for incarcerated offenders.

**SUPPLEMENTAL APPROPRIATIONS
DEPARTMENT OF MENTAL HEALTH
AGENCY-WIDE**

| H.B. Sec. 14.155 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|------------------|---------------------------|--------------------|------------------------|
|------------------|---------------------------|--------------------|------------------------|

EXPENSE AND EQUIPMENT

| | | | | | | |
|----------------------|----|---|----|---------|----|---------|
| General Revenue Fund | \$ | 0 | \$ | 257,128 | \$ | 293,180 |
|----------------------|----|---|----|---------|----|---------|

The Governor recommends \$293,180 for motor fuel cost increases.

**DEPARTMENT OF MENTAL HEALTH
AGENCY-WIDE**

| H.B. Sec. 14.160 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|------------------|---------------------------|--------------------|------------------------|
|------------------|---------------------------|--------------------|------------------------|

PERSONAL SERVICE

| | | | | | | |
|----------------------|----|-----------|----|-----------|----|-----------|
| General Revenue Fund | \$ | 1,369,531 | \$ | 3,560,621 | \$ | 3,560,621 |
|----------------------|----|-----------|----|-----------|----|-----------|

The Governor recommends \$3,560,621 for expected increases in overtime costs.

**DEPARTMENT OF MENTAL HEALTH
DIVISION OF COMPREHENSIVE PSYCHIATRIC SERVICES**

| H.B. Sec. 14.165 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|------------------|---------------------------|--------------------|------------------------|
|------------------|---------------------------|--------------------|------------------------|

EXPENSE AND EQUIPMENT

| | | | | | | |
|---------------|----|---|----|---------|----|---------|
| Federal Funds | \$ | 0 | \$ | 658,511 | \$ | 658,511 |
|---------------|----|---|----|---------|----|---------|

The Governor recommends \$658,511 for pharmacy privatization costs.

**DEPARTMENT OF MENTAL HEALTH
DIVISION OF COMPREHENSIVE PSYCHIATRIC SERVICES
ADULT COMMUNITY PROGRAMS**

| H.B. Sec. 14.170 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|------------------|---------------------------|--------------------|------------------------|
|------------------|---------------------------|--------------------|------------------------|

PROGRAM SPECIFIC DISTRIBUTION

| | | | | | | |
|-----------------------------|----|-------------|----|---------|----|---------|
| General Revenue Fund | \$ | 81,314,554 | \$ | 92,650 | \$ | 92,500 |
| Federal Funds | | 80,752,182E | | 157,350 | | 157,500 |
| Mental Health Earnings Fund | | 223,740 | | 0 | | 0 |
| DMH Local Tax Matching Fund | | 239,200E | | 0 | | 0 |
| TOTAL | \$ | 162,529,676 | \$ | 250,000 | \$ | 250,000 |

The Governor recommends \$250,000 for increased non-emergency medical transportation costs.

**SUPPLEMENTAL APPROPRIATIONS
DEPARTMENT OF HEALTH AND SENIOR SERVICES
DIVISION OF COMMUNITY AND PUBLIC HEALTH
COMMUNITY HEALTH PROGRAMS**

| H.B. Sec. 14.175 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|-----------------------|---------------------------|--------------------|------------------------|
| EXPENSE AND EQUIPMENT | | | |
| General Revenue Fund | \$ 10,716,026 | \$ 1,829,439 | \$ 1,829,439 |
| Federal Funds | 38,958,391 | 0 | 0 |
| Other Funds | <u>6,415,464</u> | <u>0</u> | <u>0</u> |
| TOTAL | \$ 56,089,881 | \$ 1,829,439 | \$ 1,829,439 |

The Governor recommends \$1,829,439 for charges associated with a forensic exam of any person who may be a victim of a sexual offense.

**DEPARTMENT OF HEALTH AND SENIOR SERVICES
DIVISION OF SENIOR AND DISABILITY SERVICES
HOME AND COMMUNITY BASED SERVICES**

| H.B. Sec. 14.180 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|-------------------------------|---------------------------|--------------------|------------------------|
| PROGRAM SPECIFIC DISTRIBUTION | | | |
| General Revenue Fund | \$ 150,507,321 | \$ 5,160,766 | \$ 5,160,766 |
| Federal Funds | <u>248,015,647</u> | <u>8,372,234</u> | <u>8,372,234</u> |
| TOTAL | \$ 398,522,968 | \$ 13,533,000 | \$ 13,533,000 |

The Governor recommends \$13,533,000 for increases in service demand in the MO HealthNet Home and Community Based Services Program.

**DEPARTMENT OF SOCIAL SERVICES
FAMILY SUPPORT DIVISION
CHILD SUPPORT ENFORCEMENT**

| H.B. Sec. 14.185 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|--|---------------------------|--------------------|------------------------|
| EXPENSE AND EQUIPMENT | | | |
| General Revenue Fund | \$ 2,769,112 | \$ 1,258,200 | \$ 1,175,127 |
| Federal Funds | 8,233,722 | 0 | 0 |
| Child Support Enforcement Collections Fund | <u>1,797,190</u> | <u>0</u> | <u>0</u> |
| TOTAL | \$ 12,800,024 | \$ 1,258,200 | \$ 1,175,127 |

The Governor recommends \$1,175,127 for Child Support Enforcement operations.

**SUPPLEMENTAL APPROPRIATIONS
DEPARTMENT OF SOCIAL SERVICES
CHILDREN'S DIVISION
ADMINISTRATION SERVICES**

| H.B. Sec. 14.190 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|---|---------------------------|--------------------|------------------------|
| EXPENSE AND EQUIPMENT | | | |
| General Revenue Fund | \$ 70,955 | \$ 0 | \$ 18,632 |
| Federal Funds | 2,670,584 | 0 | 0 |
| Early Childhood Development, Education and Care Fund | 11,856 | 0 | 0 |
| Third Party Liability Collections Fund | 163,323 | 0 | 0 |
| TOTAL | \$ 2,916,718 | \$ 0 | \$ 18,632 |

The Governor recommends \$18,632 for attorney fees and expenses for the Children's Division.

**DEPARTMENT OF SOCIAL SERVICES
DIVISION OF YOUTH SERVICES
ADMINISTRATION SERVICES**

| H.B. Sec. 14.195 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|-----------------------|---------------------------|--------------------|------------------------|
| EXPENSE AND EQUIPMENT | | | |
| General Revenue Fund | \$ 131,363 | \$ 38,099 | \$ 38,099 |
| Federal Funds | 116,132 | 0 | 0 |
| TOTAL | \$ 247,495 | \$ 38,099 | \$ 38,099 |

The Governor recommends \$38,099 for attorney fees and expenses for the Division of Youth Services.

**DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET DIVISION
ADMINISTRATION SERVICES**

| H.B. Sec. 14.200 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|--|---------------------------|--------------------|------------------------|
| EXPENSE AND EQUIPMENT | | | |
| General Revenue Fund | \$ 1,093,673 | \$ 71,505 | \$ 71,505 |
| Federal Funds | 3,854,897 | 0 | 94,756 |
| Pharmacy Rebates Fund | 5,110 | 0 | 0 |
| Pharmacy Reimbursement Allowance Fund | 375 | 0 | 0 |
| Health Initiatives Fund | 31,385 | 0 | 0 |
| Nursing Facility Quality of Care Fund | 10,281 | 0 | 0 |
| Uncompensated Care Fund | 0 | 0 | 94,756 |
| Third Party Liability Collections Fund | 495,188 | 0 | 0 |
| Missouri Rx Plan Fund | 57,800 | 0 | 0 |
| TOTAL | \$ 5,548,709 | \$ 71,505 | \$ 261,017 |

The Governor recommends \$71,505 for legal fees for the MO HealthNet Division and \$189,512 for MO HealthNet Division program implementation pursuant to SB 577 (2007).

**SUPPLEMENTAL APPROPRIATIONS
DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET DIVISION
HEALTH CARE TECHNOLOGY**

| H.B. Sec. 14.205 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|------------------|---------------------------|--------------------|------------------------|
|------------------|---------------------------|--------------------|------------------------|

EXPENSE AND EQUIPMENT

| | | | |
|----------------------------|--------------|------|------------|
| Healthcare Technology Fund | \$ 5,875,000 | \$ 0 | \$ 500,000 |
|----------------------------|--------------|------|------------|

The Governor recommends \$500,000 for a health care technology project that will create a regionally integrated electronic medical records system linking rural physicians and hospitals in northwest Missouri.

**DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET DIVISION
ADMINISTRATION SERVICES**

| H.B. Sec. 14.210 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|------------------|---------------------------|--------------------|------------------------|
|------------------|---------------------------|--------------------|------------------------|

PROGRAM SPECIFIC DISTRIBUTION

| | | | |
|---|----------------------|-------------|---------------------|
| General Revenue Fund | \$ 0 | \$ 0 | \$ 0 |
| Title XIX – Federal and Other | 24,107,486E | 0 | 5,576,959 |
| Pharmacy Rebates Fund | 1E | 0 | 0 |
| Uncompensated Care Fund | 1E | 0 | 2,820,000 |
| Federal Reimbursement Allowance Fund | 1E | 0 | 0 |
| Nursing Facility Federal Reimbursement Allowance Fund | 181,500 | 0 | 0 |
| Third Party Liability Collections Fund | 7,571,156 | 0 | 0 |
| Premium Fund | 3,837,940 | 0 | 0 |
| TOTAL | \$ 35,698,085 | \$ 0 | \$ 8,396,959 |

The Governor recommends, pursuant to SB 577 (2007), \$6,156,947 for the Dental and Optometric Adult Benefit, \$1,043,543 for the Women's Health Services Program expansion, and \$1,196,469 for SCHIP expansion costs.

**SUPPLEMENTAL APPROPRIATIONS
SECRETARY OF STATE
SAFE AT HOME PROGRAM**

| H.B. Sec. 14.215 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|--|---------------------------|--------------------|------------------------|
| PERSONAL SERVICE | | | |
| General Revenue Fund | \$ 7,518,091 | \$ 41,200 | \$ 41,200 |
| Federal Funds | 610,744 | 0 | 0 |
| Secretary of State's Technology Trust Fund Account | 238,844 | 0 | 0 |
| Local Records Preservation Fund | 1,012,152 | 0 | 0 |
| Investor Education and Protection Fund | 388,643 | 0 | 0 |
| EXPENSE AND EQUIPMENT | | | |
| General Revenue Fund | 2,741,342 | 115,324 | 115,324 |
| Federal Funds | 227,574 | 0 | 0 |
| Secretary of State's Technology Trust Fund Account | 2,922,295 | 0 | 0 |
| Local Records Preservation Fund | 717,949 | 0 | 0 |
| Secretary of State – Wolfner Library Fund | 14,500 | 0 | 0 |
| Investor Education and Protection Fund | 360,364 | 0 | 0 |
| TOTAL | \$ 16,752,498 | \$ 156,524 | \$ 156,524 |
| General Revenue Fund | 10,259,433 | 156,524 | 156,524 |
| Federal Funds | 838,318 | 0 | 0 |
| Secretary of State's Technology Trust Fund Account | 3,161,139 | 0 | 0 |
| Local Records Preservation Fund | 1,730,101 | 0 | 0 |
| Secretary of State – Wolfner Library Fund | 14,500 | 0 | 0 |
| Investor Education and Protection Fund | 749,007 | 0 | 0 |

The Governor recommends \$156,524 and .84 staff to implement the Safe at Home Program pursuant to HB 583 (2007).

**OFFICE OF THE STATE PUBLIC DEFENDER
STATE PUBLIC DEFENDER SYSTEM**

| H.B. Sec. 14.220 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|------------------------------|---------------------------|--------------------|------------------------|
| EXPENSE AND EQUIPMENT | | | |
| General Revenue Fund | \$ 3,684,200 | \$ 145,680 | \$ 145,680 |

The Governor recommends \$145,680 to pay increased statutory court reporter fees pursuant to SB 163 (2007).

**HOUSE OF REPRESENTATIVES
MILEAGE FOR MEMBERS**

| H.B. Sec. 14.225 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|------------------------------|---------------------------|--------------------|------------------------|
| EXPENSE AND EQUIPMENT | | | |
| General Revenue Fund | \$ 400,491 | \$ 40,000 | \$ 40,000 |

The Governor recommends \$40,000 for mileage costs for the members of the House of Representatives.

**SUPPLEMENTAL APPROPRIATIONS
OFFICE OF ADMINISTRATION
DIVISION OF FACILITIES MANAGEMENT, DESIGN AND CONSTRUCTION
CONTINGENCY SHORTFALLS**

| H.B. Sec. 14.230 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|-------------------------|---------------------------|--------------------|------------------------|
| EXPENSE AND EQUIPMENT | | | |
| General Revenue Fund | \$ 150,000 | \$ 1,100,093 | \$ 1,100,093 |
| Federal and Other Funds | 0 | 246,584 | 246,584 |
| TOTAL | \$ 150,000 | \$ 1,346,677 | \$ 1,346,677 |

The Governor recommends \$433,807 for Fiscal Year 2008 operating expenses in Prince Hall; \$61,959 to refund the Revolving Administrative Trust Fund for payments made during Fiscal Year 2007; and \$850,911 for the reallocation of space and associated rent between departments within state-owned and leased facilities.

FISCAL YEAR 2008 UTILICARE SUPPLEMENTAL BILL SUMMARY (HB 2015)

| | <u>GENERAL REVENUE</u> | <u>FEDERAL FUNDS</u> | <u>OTHER FUNDS</u> | <u>TOTAL*</u> |
|-------------------------------|----------------------------|--------------------------|------------------------|---------------------|
| Department of Social Services | \$ 6,440,785 | \$ 0 | \$ 0 | \$ 6,440,785 |
| TOTAL HOUSE BILL 2015 | \$ 6,440,785 | \$ 0 | \$ 0 | \$ 6,440,785 |

*Excludes refunds and other items not included in Executive Budget totals.

**DEPARTMENT OF SOCIAL SERVICES
FAMILY SUPPORT DIVISION
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM**

| H.B. Sec. 15.005 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|----------------------|---------------------------|--------------------|------------------------|
| TRANSFER | | | |
| General Revenue Fund | \$ 0 | \$ 0 | \$ 6,440,785 |

The Governor recommends \$6,440,785 for transfer to the Utilicare Stabilization Fund for the Low Income Home Energy Assistance Program.

**DEPARTMENT OF SOCIAL SERVICES
FAMILY SUPPORT DIVISION
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM**

| H.B. Sec. 15.010 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|-------------------------------|---------------------------|--------------------|------------------------|
| PROGRAM SPECIFIC DISTRIBUTION | | | |
| Utilicare Stabilization Fund | \$ 0 | \$ 0 | \$ 6,440,785 |

The Governor recommends \$6,440,785 for the Low Income Home Energy Assistance Program.

SUPPLEMENTAL APPROPRIATIONS

FISCAL YEAR 2008 LEWIS AND CLARK DISCOVERY INITIATIVE SUPPLEMENTAL BILL SUMMARY (HB 2019)

| | <u>GENERAL REVENUE</u> | <u>FEDERAL FUNDS</u> | <u>OTHER FUNDS</u> | <u>TOTAL</u> |
|--------------------------------|----------------------------|--------------------------|------------------------|----------------------|
| Department of Higher Education | \$ 0 | \$ 0 | \$ 46,182,000 | \$ 46,182,000 |
| TOTAL HOUSE BILL 2019 | \$ 0 | \$ 0 | \$ 46,182,000 | \$ 46,182,000 |

**UNIVERSITY OF MISSOURI
ELLIS FISCHER CANCER CENTER**

| H.B. Sec. 19.005 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|------------------|---------------------------|--------------------|------------------------|
|------------------|---------------------------|--------------------|------------------------|

PROGRAM SPECIFIC DISTRIBUTION
Lewis and Clark Discovery Fund

\$ 0 \$ 0 \$ 31,182,000

The Governor recommends \$31,182,000 for construction of a new Ellis Fischer Cancer Center on the Columbia campus.

**UNIVERSITY OF MISSOURI
PHARMACY AND NURSING BUILDING**

| H.B. Sec. 19.010 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|------------------|---------------------------|--------------------|------------------------|
|------------------|---------------------------|--------------------|------------------------|

PROGRAM SPECIFIC DISTRIBUTION
Lewis and Clark Discovery Fund

\$ 0 \$ 0 \$ 15,000,000

The Governor recommends \$15,000,000 to complete construction of the Pharmacy and Nursing Building on the Kansas City campus.

FISCAL YEAR 2008 CAPITAL IMPROVEMENTS SUPPLEMENTAL BILL SUMMARY (HB 2020)

| | <u>GENERAL REVENUE</u> | <u>FEDERAL FUNDS</u> | <u>OTHER FUNDS</u> | <u>TOTAL</u> |
|---------------------------------|----------------------------|--------------------------|------------------------|----------------------|
| Department of Higher Education | \$ 1,000,000 | \$ 0 | \$ 0 | \$ 1,000,000 |
| Office of Administration | 2,352,000 | 0 | 0 | 2,352,000 |
| Department of Agriculture | 1,505,902 | 0 | 0 | 1,505,902 |
| Department of Natural Resources | 0 | 50,000 | 1,350,000 | 1,400,000 |
| Department of Public Safety | 1,440,000 | 4,000,001 | 5,469,190 | 10,909,191 |
| Department of Corrections | 0 | 2,000,000 | 0 | 2,000,000 |
| Department of Social Services | 428,482 | 0 | 0 | 428,482 |
| TOTAL HOUSE BILL 2020 | \$ 6,726,384 | \$ 6,050,001 | \$ 6,819,190 | \$ 19,595,575 |

**SUPPLEMENTAL APPROPRIATIONS
MISSOURI STATE UNIVERSITY
COOPERATIVE ENGINEERING PROGRAM**

| H.B. Sec. 20.005 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|------------------|---------------------------|--------------------|------------------------|
|------------------|---------------------------|--------------------|------------------------|

PROGRAM SPECIFIC DISTRIBUTION

| | | | | | | |
|----------------------|----|---|----|---|----|---------|
| General Revenue Fund | \$ | 0 | \$ | 0 | \$ | 500,000 |
|----------------------|----|---|----|---|----|---------|

The Governor recommends \$500,000 for laboratory renovations and the purchase of engineering equipment for the Cooperative Engineering Program with the Missouri University of Science and Technology.

**UNIVERSITY OF MISSOURI
COOPERATIVE ENGINEERING PROGRAM**

| H.B. Sec. 20.010 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|------------------|---------------------------|--------------------|------------------------|
|------------------|---------------------------|--------------------|------------------------|

PROGRAM SPECIFIC DISTRIBUTION

| | | | | | | |
|----------------------|----|---|----|---|----|---------|
| General Revenue Fund | \$ | 0 | \$ | 0 | \$ | 500,000 |
|----------------------|----|---|----|---|----|---------|

The Governor recommends \$500,000 for laboratory renovations and the purchase of engineering equipment at the Missouri University of Science and Technology for the Cooperative Engineering Program with Missouri State University.

**OFFICE OF ADMINISTRATION
DIVISION OF FACILITIES MANAGEMENT, DESIGN AND CONSTRUCTION
ENVIRONMENTAL CONTROL CENTER**

| H.B. Sec. 20.015 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|------------------|---------------------------|--------------------|------------------------|
|------------------|---------------------------|--------------------|------------------------|

EXPENSE AND EQUIPMENT

| | | | | | | |
|----------------------|----|---|----|---|----|-----------|
| General Revenue Fund | \$ | 0 | \$ | 0 | \$ | 2,352,000 |
|----------------------|----|---|----|---|----|-----------|

The Governor recommends \$2,352,000 for construction, renovations, and improvements at the Environmental Control Center in Jefferson City.

**DEPARTMENT OF AGRICULTURE
MISSOURI STATE FAIR
WEST CAMPGROUNDS**

| H.B. Sec. 20.020 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|------------------|---------------------------|--------------------|------------------------|
|------------------|---------------------------|--------------------|------------------------|

EXPENSE AND EQUIPMENT

| | | | | | | |
|----------------------|----|---|----|---|----|-----------|
| General Revenue Fund | \$ | 0 | \$ | 0 | \$ | 1,505,902 |
|----------------------|----|---|----|---|----|-----------|

The Governor recommends \$1,505,902 for construction, renovations, and improvements to existing campsites at the Missouri State Fairgrounds.

**SUPPLEMENTAL APPROPRIATIONS
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF STATE PARKS
ADJACENT LAND PURCHASES**

| H.B. Sec. 20.025 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|---------------------------|---------------------------|--------------------|------------------------|
| EXPENSE AND EQUIPMENT | | | |
| State Parks Earnings Fund | \$ 0 | \$ 0 | \$ 1,300,000 |

The Governor recommends \$1,300,000 for adjacent land purchases.

**DEPARTMENT OF NATURAL RESOURCES
DIVISION OF STATE PARKS
RECOUPMENTS, DONATIONS, AND GRANTS**

| H.B. Sec. 20.030 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|---------------------------|---------------------------|--------------------|------------------------|
| EXPENSE AND EQUIPMENT | | | |
| State Parks Earnings Fund | \$ 0 | \$ 0 | \$ 50,000 |
| Federal Funds | 0 | 0 | 50,000 |
| TOTAL | \$ 0 | \$ 0 | \$ 100,000 |

The Governor recommends \$100,000 for capital improvement expenditures from recoupments, donations, and grants.

**DEPARTMENT OF PUBLIC SAFETY
SPRINGFIELD CRIME LAB**

| H.B. Sec. 20.035 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|---|---------------------------|--------------------|------------------------|
| EXPENSE AND EQUIPMENT | | | |
| General Revenue Fund | \$ 0 | \$ 0 | \$ 1,140,000 |
| State Highways and Transportation Department Fund | 0 | 0 | 760,000 |
| TOTAL | \$ 0 | \$ 0 | \$ 1,900,000 |

The Governor recommends \$1,900,000 for planning, design, and construction of a new crime lab in Springfield.

**DEPARTMENT OF PUBLIC SAFETY
JASPER COUNTY CRIME LAB**

| H.B. Sec. 20.040 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|---|---------------------------|--------------------|------------------------|
| EXPENSE AND EQUIPMENT | | | |
| General Revenue Fund | \$ 0 | \$ 0 | \$ 300,000 |
| State Highways and Transportation Department Fund | 0 | 0 | 200,000 |
| TOTAL | \$ 0 | \$ 0 | \$ 500,000 |

The Governor recommends \$500,000 for planning, design, and construction of a new crime lab in Jasper County.

**SUPPLEMENTAL APPROPRIATIONS
DEPARTMENT OF PUBLIC SAFETY
MISSOURI VETERANS' COMMISSION
STATEWIDE VETERANS' HOME EMERGENCY GENERATORS**

| H.B. Sec. 20.045 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|------------------|---------------------------|--------------------|------------------------|
|------------------|---------------------------|--------------------|------------------------|

EXPENSE AND EQUIPMENT

| | | | | | | |
|---|----|---|----|---|----|-----------|
| Veterans' Commission Capital Improvement Trust Fund | \$ | 0 | \$ | 0 | \$ | 3,988,767 |
|---|----|---|----|---|----|-----------|

The Governor recommends \$3,988,767 for planning, design, and installation of new emergency generators at veterans' homes statewide.

**DEPARTMENT OF PUBLIC SAFETY
MISSOURI VETERANS' COMMISSION
CAPE GIRARDEAU VETERANS' HOME FIRE LANES AND HYDRANTS**

| H.B. Sec. 20.050 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|------------------|---------------------------|--------------------|------------------------|
|------------------|---------------------------|--------------------|------------------------|

EXPENSE AND EQUIPMENT

| | | | | | | |
|---|----|---|----|---|----|---------|
| Veterans' Commission Capital Improvement Trust Fund | \$ | 0 | \$ | 0 | \$ | 520,423 |
| Federal Funds | | 0 | | 0 | | 1E |
| TOTAL | \$ | 0 | \$ | 0 | \$ | 520,424 |

The Governor recommends \$520,424 for construction, renovations, and improvements at the Cape Girardeau Veterans' Home.

**DEPARTMENT OF PUBLIC SAFETY
OFFICE OF THE ADJUTANT GENERAL
STATEWIDE CONSTRUCTION PROJECTS**

| H.B. Sec. 20.055 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|------------------|---------------------------|--------------------|------------------------|
|------------------|---------------------------|--------------------|------------------------|

EXPENSE AND EQUIPMENT

| | | | | | | |
|---------------|----|---|----|---|----|------------|
| Federal Funds | \$ | 0 | \$ | 0 | \$ | 4,000,000E |
|---------------|----|---|----|---|----|------------|

The Governor recommends \$4,000,000 on an open-ended basis for design and construction of National Guard facilities statewide.

**DEPARTMENT OF CORRECTIONS
DIVISION OF PROBATION AND PAROLE
COMMUNITY SUPERVISION CENTERS**

| H.B. Sec. 20.060 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|------------------|---------------------------|--------------------|------------------------|
|------------------|---------------------------|--------------------|------------------------|

EXPENSE AND EQUIPMENT

| | | | | | | |
|---------------|----|---|----|---|----|------------|
| Federal Funds | \$ | 0 | \$ | 0 | \$ | 2,000,000E |
|---------------|----|---|----|---|----|------------|

The Governor recommends \$2,000,000 on an open-ended basis for planning, design, and construction of community supervision centers statewide.

**SUPPLEMENTAL APPROPRIATIONS
DEPARTMENT OF SOCIAL SERVICES
DIVISION OF YOUTH SERVICES
W.E. SEARS YOUTH CENTER WATER TOWER**

| H.B. Sec. 20.065 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|------------------|---------------------------|--------------------|------------------------|
|------------------|---------------------------|--------------------|------------------------|

EXPENSE AND EQUIPMENT

| | | | | | | |
|----------------------|----|---|----|---|----|---------|
| General Revenue Fund | \$ | 0 | \$ | 0 | \$ | 428,482 |
|----------------------|----|---|----|---|----|---------|

The Governor recommends \$428,482 for planning, design, and construction of a water tower at the W.E. Sears Youth Center.

FISCAL YEAR 2008 CONSERVATION CAPITAL IMPROVEMENTS SUPPLEMENTAL BILL SUMMARY (HB 2021)

| | <u>GENERAL REVENUE</u> | <u>FEDERAL FUNDS</u> | <u>OTHER FUNDS</u> | <u>TOTAL</u> |
|-------------------------------------|----------------------------|--------------------------|------------------------|----------------------|
| Missouri Department of Conservation | \$ 0 | \$ 0 | \$ 10,000,000 | \$ 10,000,000 |
| TOTAL HOUSE BILL 2021 | \$ 0 | \$ 0 | \$ 10,000,000 | \$ 10,000,000 |

**DEPARTMENT OF CONSERVATION
STATEWIDE CONSTRUCTION**

| H.B. Sec. 21.005 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|------------------|---------------------------|--------------------|------------------------|
|------------------|---------------------------|--------------------|------------------------|

EXPENSE AND EQUIPMENT

| | | | | | | |
|------------------------------|----|---|----|---|----|------------|
| Conservation Commission Fund | \$ | 0 | \$ | 0 | \$ | 10,000,000 |
|------------------------------|----|---|----|---|----|------------|

The Governor recommends \$10,000,000 for major repairs, renovations, improvements, and development of existing areas, stream accesses, natural areas, and other conservation purposes.

SUPPLEMENTAL APPROPRIATIONS

FISCAL YEAR 2008 MoSMART SUPPLEMENTAL BILL SUMMARY (HB 2022)

| | <u>GENERAL REVENUE</u> | <u>FEDERAL FUNDS</u> | <u>OTHER FUNDS</u> | <u>TOTAL*</u> |
|------------------------------|----------------------------|--------------------------|------------------------|---------------------|
| Department of Public Safety | \$ 1,872,261 | \$ 0 | \$ 0 | \$ 1,872,261 |
| TOTAL HOUSE BILL 2022 | \$ 1,872,261 | \$ 0 | \$ 0 | \$ 1,872,261 |

*Excludes refunds and other items not included in Executive Budget totals.

**DEPARTMENT OF PUBLIC SAFETY
OFFICE OF THE DIRECTOR
MoSMART PROGRAM**

| H.B. Sec. 22.005 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|------------------|---------------------------|--------------------|------------------------|
|------------------|---------------------------|--------------------|------------------------|

TRANSFER

| | | | | | | |
|----------------------|----|---|----|---|----|-----------|
| General Revenue Fund | \$ | 0 | \$ | 0 | \$ | 1,872,261 |
|----------------------|----|---|----|---|----|-----------|

The Governor recommends \$1,872,261 for transfer to the MoSMART Fund for grants to local drug task forces involved in anti-methamphetamine efforts.

**DEPARTMENT OF PUBLIC SAFETY
OFFICE OF THE DIRECTOR
MoSMART PROGRAM**

| H.B. Sec. 22.010 | ORIGINAL APPROPRIATION | CURRENT REQUEST | GOVERNOR RECOMMENDS |
|------------------|---------------------------|--------------------|------------------------|
|------------------|---------------------------|--------------------|------------------------|

PROGRAM SPECIFIC DISTRIBUTION

| | | | | | | |
|--------------|----|---|----|---|----|-----------|
| MoSMART Fund | \$ | 0 | \$ | 0 | \$ | 1,872,261 |
|--------------|----|---|----|---|----|-----------|

The Governor recommends \$1,872,261 for grants to local drug task forces involved in anti-methamphetamine efforts.

CAPITAL IMPROVEMENTS

Missouri uses a biennial appropriations process for capital improvements. During the second year of the biennium, funding is provided for critical projects unforeseen at the time of the adoption of the biennial budget, projects required by legislation passed in the first year of the biennium, and projects using one-time resources that become available for major, one-time improvements to the state's infrastructure. Governor Blunt recommends \$70 million in funding for various projects statewide, including funding for the Thompson Center for Autism and Neurodevelopmental Disorders on the University of Missouri – Columbia campus, a site master plan study at Fulton State Hospital, and capital improvement projects for port authorities.

Conservation Statewide Construction

The Department of Conservation completes major repairs, renovations, improvements and development projects at stream and lake accesses, lakes, roads, hatcheries, nature centers, and other conservation purposes to ensure Missouri's natural areas are in good condition for the enjoyment of Missouri citizens and tourists and that indigenous wildlife continue to thrive in our state.

- \$36,000,000 Conservation Commission Fund for major repairs, renovations, improvements and development of conservation areas statewide.

Linn State Technical Vehicle and Power Center (VaPC)

The VaPC is a complex that will provide technical education to Missouri students, business and industry partners, and Area Vocational Technical Schools and Community Colleges. This facility will accommodate high demand, advanced technical programs including heavy equipment technology, medium/heavy truck technology, powersports technology, and other programs to better prepare students for careers in these areas of high demand.

- \$10,000,000 Lottery Proceeds Fund for planning, design, and construction of a new facility for heavy equipment technology.

Thompson Center for Autism and Neurodevelopmental Disorders

The center was established on April 29, 2005 through the philanthropy of William and Nancy Thompson to promote research, teaching, and service innovations designed to improve the lives of children with autism spectrum disorders and other neurological conditions. The current location is inadequate to support diagnosis and treatment. Funding for this project will enable the Thompson Foundation to complete construction of new center.

- \$5,000,000 for planning, design, and construction necessary to complete the Thompson Center for Autism and Neurodevelopmental Disorders.

Port Capital Improvement Funding

Port authorities throughout the state have developed a five-year capital improvement plan. State assistance, administered by the Department of Transportation, is provided to port authorities on a matching basis to develop infrastructure and carry out their statutory responsibilities.

- \$4,000,000 for port authority capital improvement projects.

Disaster Recovery Remote Data Center

Business and government organizations have been focusing on two key technology strategies over the past six years: (1) data center consolidation; and (2) movement to "open systems" or non-mainframe types of systems. While the State of Missouri has made tremendous progress in data center consolidation, the disaster recovery process and movement to open systems has created a continuity gap for the State of Missouri. This recommendation will begin the process of creating the structure needed to utilize a shared computing system and enable the State of Missouri to move to an open systems environment.

- \$1,960,606 for planning, design, and construction of a remote data center.

Adjutant General Environmental Compliance

The Adjutant General's Office receives federal funding for the Environmental Compliance Program for environmental surveys, plans, maintenance and repair, and construction projects at National Guard facilities statewide. These facilities include maintenance shops, aviation facilities, warehouses, and training sites.

- \$1,900,000 federal funds for environmental compliance at non-armory facilities statewide.

State Parks General Statewide Construction

The Division of State Parks completes new construction projects such as shower houses, contact stations, visitor centers, shelters, restrooms, amphitheaters, campgrounds, etc., to improve services and park and historic site operations for Missouri citizens and tourists.

- \$1,400,000 State Park Earnings Fund for design, renovation, construction, and improvements at state parks.

CAPITAL IMPROVEMENTS (Continued)

State Capitol Building and Governor's Mansion Security Upgrades

In an effort to mitigate potential damage from terrorist attacks to the Missouri State Capitol Building and the Governor's Mansion, funding is recommended for a security station at the South carriage entrance, street modifications to reroute traffic, security hardware at the Capitol Building, to upgrade the fence on the north side of the Mansion, and install a new camera system.

- \$1,200,187 for security upgrades and improvements necessary to mitigate potential damage from terrorist attacks to the Capitol Building and the Governor's Mansion, including \$1,200,186 general revenue.

Missouri State Penitentiary Redevelopment

The Missouri State Penitentiary (MSP) Redevelopment Commission was created in 1999 to begin planning for development of the Missouri State Penitentiary site. MSP was no longer needed as a correctional facility due to the construction of the new Jefferson City Correctional Center. Missouri citizens will benefit from continued orderly planning for the redevelopment.

- \$1,200,001 for surveying, subdividing, and platting of the redevelopment site, including \$1,200,000 general revenue.

State Parks Historical Preservation

The Division of State Parks uses this appropriation to acquire, restore, develop, maintain, and market endangered historic properties around the State of Missouri pursuant to Chapter 253, RSMo.

- \$1,000,000 Historic Preservation Revolving Fund for acquisition, restoration, development, and maintenance of historic properties.

Delmina Woods Park Camp Multi-purpose Building

The Division of Youth Services is required to provide physical activities for the youth committed to the division. Currently, physical activity at the Delmina Woods Park Camp must happen outside due to the lack of a recreational facility. During bad weather, little or no physical activities can be provided. A multi-purpose building will provide a location for year-round activities and a more secure setting.

- \$941,242 for planning, design, and construction of a new multi-purpose building.

Missouri Water Patrol (MWP) Maintenance Shop

The current marine maintenance shop was built in 1954 and only has two work bays. Additional bays are needed to accommodate the size of new boats that average 22.5 to 31 feet long and 8.5 feet wide.

- \$804,929 Missouri State Water Patrol Fund for planning, design, and construction of a Water Patrol maintenance shop in Jefferson City.

University of Missouri – Kansas City (UMKC) Dental School

The Dental School recently increased its class size by 20 percent, and anticipates future class increases to accommodate overflow as a result of the University of Southern Illinois (SIU) School of Dentistry no longer admitting out-of-state students. Additional space will also be needed to address space requirements necessary to meet the needs of patients requiring special dental care, and expansion to meet the critical needs of health care providers.

- \$750,000 for expansion study planning for the UMKC Dental School in order to meet the critical need of health care providers.

Ozark Correctional Center (OCC) Sewer System Improvements

Modifications to the existing sewer treatment plant are needed to maintain control of the amount of chlorine added to the waste water at OCC, and to bring the current treatment plant into compliance with the Department of Natural Resources and Environmental Protection Agency regulations.

- \$718,813 for construction, renovations, and improvements at the Ozark Correctional Center.

W.E. Sears Youth Center Dormitory Building

The Broken Arrow Treatment Unit consisting of up to 15 youth is currently housed in the upper level of the gymnasium, which was originally used as a storage, office, and meeting area. The upstairs was converted to a dormitory as a temporary fix to the over-population crisis in the southeast region. The space does not meet requirements of the Life Safety Code and does not have sprinklers or the required fire separations from the space below.

- \$716,836 for planning, design, and construction of a new 3,000 square foot dormitory building.

CAPITAL IMPROVEMENTS (Continued)

State Parks Exhibits

The Division of State Parks is tasked with maintaining and improving interpretive exhibits throughout the state park system. In order to accomplish this goal, the division must replace existing and/or install new interpretive sites within the state parks and historic property system necessary to interpret the natural resources and cultural history of the State of Missouri.

- \$700,000 State Park Earnings Fund for design, renovation, construction, and improvements of interpretive sites throughout the state.

State Historical Society

The State Historical Society was established in 1893 and is responsible for collecting, preserving, making accessible and publishing material related to Missouri history. The current location on the lower level of the University of Missouri-Columbia's Ellis Library is inadequate due to lack of space for the artwork and staff, fire hazards, and minimal public access to the building.

- \$600,000 for planning and development of a new building for the State Historical Society in Columbia.

Highway Patrol DNA Storage Facility

Senate Bill 1000 (2004) expanded the convicted offender DNA Profiling Program, and required collection of DNA samples from all persons convicted of any felony. This program expansion has increased the number of sample submissions annually by more than ten-fold, and the current storage facility will run out of space in the next year or two. This recommendation will ensure the Highway Patrol has adequate storage space for DNA samples for at least ten years.

- \$307,560 DNA Profiling Analysis Fund for planning, design, and construction of an extension to the existing crime lab building in Jefferson City for DNA storage.

Fulton State Hospital

In order to ensure that all components of a new Fulton State Hospital are constructed where they will be best utilized, a site master plan study will analyze various facilities, coordinate project components with the new utility power plant that will service the hospital and surrounding area, and identify the size, scope, and construction type of a new vocational rehabilitation center in a manner necessary to meet the needs of a diverse client base.

- \$300,000 for research planning money to study options for the construction of a new Fulton State Hospital and vocational rehabilitation center.

Hannibal Commercial Drivers Licensing Facility

The Missouri State Highway Patrol is currently using a trailer to run the commercial drivers licensing program in Hannibal. The building is 12 years old and has begun to deteriorate, lacks restroom facilities, and the roof is in need of serious repair. The recommended funding will provide a new building with public restrooms, a waiting area, areas for examiners, supplies/equipment, and office space.

- \$296,000 State Highways and Transportation Department Fund for planning, design, and construction of a commercial drivers licensing facility in Hannibal.

Statewide Appraisals and Surveys

At any given time, various state facilities are being considered for purchase or sale. The Office of Administration must conduct surveys and appraisals of the property to assess the condition of the building, the estimated cost of any repairs that may be needed, and the value of the property before a real estate transaction can be finalized.

- \$250,000 for appraisals, land surveys, and environmental surveys of facilities statewide.

FISCAL YEAR 2009 CAPITAL IMPROVEMENTS SUMMARY

| | General Revenue | Federal Funds | Other Funds | Total |
|---|----------------------|---------------------|----------------------|----------------------|
| Department of Higher Education | | | | |
| Linn State Technical Vehicle and Power Center | \$ 0 | \$ 0 | \$ 10,000,000 | \$ 10,000,000 |
| Thompson Center for Autism and Neurodevelopmental Disorders | 5,000,000 | 0 | 0 | 5,000,000 |
| State Historical Society | 600,000 | 0 | 0 | 600,000 |
| University of Missouri - Kansas City Dental School Planning Money | 750,000 | 0 | 0 | 750,000 |
| Department of Transportation | | | | |
| Port Authority Capital Improvements | 4,000,000 | 0 | 0 | 4,000,000 |
| Office of Administration | | | | |
| Statewide Appraisals and Surveys | 250,000 | 0 | 0 | 250,000 |
| Disaster Recovery, Remote Data Center | 1,960,606 | 0 | 0 | 1,960,606 |
| State Capitol Security Upgrades | 1,200,186 | 1 | 0 | 1,200,187 |
| Missouri State Penitentiary Redevelopment | 1,200,000 | 1 | 0 | 1,200,001 |
| Department of Natural Resources | | | | |
| State Parks Exhibits | 0 | 0 | 700,000 | 700,000 |
| State Parks Historical Preservation | 0 | 0 | 1,000,000 | 1,000,000 |
| State Parks General Statewide Construction | 0 | 0 | 1,400,000 | 1,400,000 |
| Department of Conservation | | | | |
| Statewide Construction | 0 | 0 | 36,000,000 | 36,000,000 |
| Department of Public Safety | | | | |
| Hannibal Commercial Drivers Licensing Facility | 0 | 0 | 296,000 | 296,000 |
| General Headquarters DNA Storage Facility | 0 | 0 | 307,560 | 307,560 |
| Missouri Water Patrol Maintenance Shop | 0 | 0 | 804,929 | 804,929 |
| Adjutant General Environmental Compliance | 0 | 1,900,000 | 0 | 1,900,000 |
| Department of Corrections | | | | |
| Ozark Correctional Center Sewer System | 718,813 | 0 | 0 | 718,813 |
| Department of Mental Health | | | | |
| Fulton State Hospital Site Master Plan Study | 300,000 | 0 | 0 | 300,000 |
| Department of Social Services | | | | |
| Delmina Woods Park Camp Multi-purpose Building | 941,242 | 0 | 0 | 941,242 |
| W.E. Sears Youth Center Dormitory Building | 716,836 | 0 | 0 | 716,836 |
| Total | \$ 17,637,683 | \$ 1,900,002 | \$ 50,508,489 | \$ 70,046,174 |